Essays on Marx’s theory of money of I.I.Rubin
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Foreword

The name of Rubin (Исаак Ильич Рубин, 1886–1937) and a few of his works were known in Japan to a certain extent from the time preceding the Second World War by the literature related to the value debate going on in the Soviet Union at that time, translated and published about 1930 almost in real time. After the war, a negative image seems to have been enrooted for certain of those who were under the influence of the official disapproving view on Rubin and his followers adopted by the Soviet authority after the 1930s. Such a view was repeated and popularized in the textbooks of Marxist economics written by Russian researchers and translated and widely diffused in Japan1 after 1945 with the rise of Marxist economics in

1Representative of such manuals was Rosenberg’s Commentary on Capital, the first Japanese
the post-war period. Resonance of such an influence has not totally disappeared even today.

In 1973, in the midst of the value controversy waged after 1968 among a few Marxist economists in the West, where the Marxist economics, a non negligible part of which was under a great influence of Soviet academy, had never been so important in the profession as in Japan, the masterpiece of Rubin, Essays on Marx’s theory of value (hereinafter Essays on value for short) was translated into English, a book left and remained in oblivion for almost half a century. Rubin’s name and his works were thus rediscovered in the corner of the Western academic world, and his original interpretation of Marx’s theory of value gave a certain enduring impact on the then ongoing value debate. Probably prompted by such a situation, the German and French versions (retranslations) of this work of Rubin were successively published, and also some of the original documents related to the value debate during the last years of 1920s, to begin with a few other works of Rubin himself, were translated and published, which contributed to make known something about this debate on the basis of its original resource materials. But, the pros and cons discussions at that and subsequent times about Rubin’s theory in the debate in the West were in many cases based solely on the English translation (and German and French retranslations) of his book given above, the other related literature not being referred to nor made use of. In addition, in these translations were omitted all the important supplementary materials originally annexed to the third edition of Essays on value published in 1928, which served as the exemplar to the translation: three articles of controversy (replies of Rubin to the criticisms by Dashkovskij, Shabs, Kon) newly added to this edition as ‘Replies to critics’, and ‘Appendices’ (author’s explanation of some of the keywords used in his book) showing Rubin as philologist and useful for understanding the text of Essays on value. This omission made hardly perceivable the controversial context where this book was found itself at the time of its publication.

In contrast to the above evolution observed in a part of the Western academic world translation of which was published as early as in 1933. Subsequently, along with the re-editions of the original, the renewal of Japanese translations continued for a long time till the latter half of 1960s, far after the death of the author.

3 See, for example, the papers published in Steedman, I. et al. (eds.), The value controversy, New Left Books, 1981.
4 И. И. Рубин, Очерки по теории стоимости Маркса, третье издание переработанное и дополненное с приложением статьи “ответ критикам”, ГИЗ, Москва, Ленинград, 1928.
during the years from 1970s to 1980s, in that of Japan with a preponderance of the Marxist economics since the end of the war, a Japanese translation did not appear following the German and French ones just as they had followed the English translation, and Rubin was not actively referred to nor became object of discussion in the value debate flourished at that time in succession to the value form debate between Kuruma and Uno, although a few paid attention to the English translation of Rubin and to the debate about this book in the West. Such a contrastive reception of Rubin in West and in Japan may perhaps be explained by something like an antipathy devoid of clear foundation persistent among a part of the Japanese Marxist economists from the time just after the war against the participants in the Soviet value debate in the 1920s.

*Essays on value* has been considered to have come to an end with its third edition of 1928 by the fact that this book of Rubin was translated into English taking as exemplar this third edition, and also by the fact that the value debate during the last years of 1920s about this edition was forcefully quelled by the intervention of the authority at the end of 1929, the year following its appearance. But, in the late 1980s, a copy of its forth edition⁵ was accidentally discovered from among the Ichiro Nakayama collection in the university library of Hitotsubashi, probably one among the books Nakayama had eagerly bought during his stay for studies in European countries before the War. On the recommendation of Yoshihiro Takasuka, the discoverer, professor of the Institute of Economic Research of Hitotsubashi University at that time, I was to translate this book into Japanese, and its entire translation was published from Hosei University Publishing House in Tokyo in 1993 with a detailed introductory essay of the translator on the basis of a documentation of primary resource materials of the 1920s. The copy of the fourth edition I took as the exemplar of my translation was among those published in 1930, but in fact the first some thousand copies of this edition had already been released in 1929, and together with those of 1930 the total printing may have been about 10,000. The only one difference of this edition from the third edition of 1928 consists in the addition of the fourth article to ‘Replies to critics’ responding to the critique of Bessonov (reproduction of a review article published at the beginning of 1929), all the rest remaining the same as the third edition. Rubin may have published the fourth edition in this way in 1929, the year following that of the third edition, probably because he intended to supply somehow last additional copies of his

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⁵И. И. Рубин. *Очерки по теории стоимости Маркса, с новым дополнением к статье “ответ критикам”*, издание четвертое, ГИЗ, Москва, Ленинград, 1930.
Essays on value, noticing the symptoms of oppression which were appearing in various places in 1929, the year of the ‘great transformation’ with the establishment of dictatorship of Stalin launching the first five year planning of economy. But, how many of the above number of the copies of the fourth edition published at such a time actually circulated? As far as I have surveyed the related articles published in principal theoretical reviews in Soviet Union after 1930, there are very few examples of mention of the fourth edition. It seems a fortiori that outside Soviet Union even the existence itself of this edition hardly came to be known. This last edition may have thus been so to say a ‘phantom edition’. Even for the contemporary Russian economists familiar with the Soviet and Russian history of economic thought, the appearance of a Japanese translation of Essays on value as many as twenty years ago realized on the basis of its fourth edition may be surprising.

During the several years when I was occupied with this translation work, the former ‘socialist’ regime which existed during about two thirds of the 20th century in Soviet and Eastern countries and the communist (labour) parties of these countries which dominated this regime collapsed beginning with the destruction of the Berlin Wall, and at the same time the Marxism (or Marxism=Leninism) as the pillar of the regime and its organization was discredited ideologically and theoretically, the interest in every scientific field relating to Marx, Marxist economics first of all, was rapidly lost. In such conditions of the time, unfortunately my translation work could hardly draw attention in Japan, and in foreign countries it did not become known because of the language barrier of the Japanese. But at the same time the collapse of the Soviet Union brought with it an unexpected by-product for the study of the history of economic thought in the former Soviet: the writings of the thinkers and theorists oppressed, purged and expelled as heretics during the Soviet time had been enclosed in archives and forbidden to be lent out till the beginning of the 1990s, and it was impossible to get access to these documents from abroad, but with the restoration of honour given to most of them after the collapse of Soviet Union many of such documents became available through various channels. In translating Rubin’s book I tried at the same time to obtain from domestic university libraries etc. the related materials as the sources for writing the translator’s introductory essay, but as the materials conserved in Japan were naturally limited, I was obliged to begin writing this essay and the translator’s notes in abandoning to procure some important resources and so leaving them unread.

As I could get some of these unread materials from Russia with its door opened after the publication of the translated Essays on value, in order to make up for the lack in the translator’s
introductory essay, I published in 1997 from Jokyo Publishing House in Tokyo, as a separated book, from among these ‘new’ materials, the translation of several articles I found useful for understanding and evaluating the value debate of the 1920s, together with a paper of mine describing the relation between the changes in various editions of *Essays on value* and the process of the debate. Of course, it was still out of question for a foreign researcher seventy years later to seek out exhaustively the related materials of the time. Almost at the same time as I was thus concerned with the translation of Rubin’s masterpiece and the debate in the former Soviet Union about his interpretation of Marx’s theory of value, something I never imagined was going on concerning the literary legacy of Rubin, the existence of which many of the Marx researches in the world including myself had no clue to know.

Rubin, originally Judean and politically and ideologically demarcated from the Bolsheviks before and after the Revolution, was oppressed under various accusations for long during his lifetime and at last executed in 1937 as a ‘rebellious Trotskyist’, but his honour was restored for all of this just before the collapse of Soviet Union during the years from 1989 to 1991. At the beginning of 1991, before the dissolution of the Soviet communist party, two nephews of Rubin, sons of his elder sister, donated for conservation to the Central Party Archive in Marxism-Leninism Institute annexed to the Central Committee of CPSU (ЦПА) (present-day Russian State Archive of Social and Political History –РГАСПИ) an unpublished manuscript of Rubin entitled ‘Essays on Marx’s theory of money’ and some other documents (his manuscript entitled ‘Theory of Ricardo on capital’ and some of his photographs). These documents were preserved for more than 50 years in the family of Rubin, by his wife after he was executed and after her death by his elder sister and her two sons. After the authentification procedure these resources were accepted in the archive as truly Rubin’s. The study of the manuscript and the preparatory work for its publication started in the subsequent turmoil situation of the dissolution of the Soviet Union and the Communist Party (and also of the concomitant reorganisation of the

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6 From Л.Л. Васина, И. И. Рубин и его рукопись “Очерки по теории денег Маркса” (L. L. Vasina, I. I. Rubin and his manuscript ’Essays on Marx's theory of money’), *Истоки, социокультурная среда экономической деятельности и экономического познания* (Москва, Издательский дом Высшей школы экономики, 2011, стр.475-500). As for the below description about this manuscript of Rubin I owe much to this introductory essay of Vasina. Up to the present time, very few has been known about the personal and professional life of Rubin and only a limited information about his works has been disposable. This introductory essay of Vasina has made known many facts for the first time. It is written in making use of the results of a thoroughgoing documentation in various archives in Russia (many of which were in relation with the communist party and securitity organs in the former Soviet Union).
archive itself), in which the central role was assumed by L. L. Vasina, a staff member of РГАСПИ and an editor of the new MEGA. At the outset, there may have been conceived an idea of publishing in one volume the manuscript of ‘Essays on Marx’s theory of money’ and the Essays on Marx’s theory of value which had already become a rare book at that time in Russia, but this plan could not be realised in the climate just after the collapse of Soviet Union dominated by strong repulsion against Marx, considered to be the ideological origin of the communist party. The consecutive efforts pursued afterward by Vasina and others resulted only 20 years later in the publication of this manuscript with her as editor together with her far-ranging introductory essay and a comprehensive bibliography of the works of Rubin, in 2011, the 125th anniversary from his birth.

And its German translation appeared as early as in July 2012. In this German edition, along with the text of the original manuscript, 6 articles by German and Russian specialists, a name index and also some of Rubin’s photographs and reproduction of covers of several publications of the time including Rubin’s books are published in addition to the editor’s introductory essay and the above mentioned bibliography. The authors of these annexed articles analyze the newly published manuscript, try to relativize the knowledge of Rubin about the evolution of contemporary economic researches in foreign countries in putting his works on the background of the domestic researches in the history of economic thought in early Soviet ear (article by Pokidčenko), publish the correspondence between Rubin and Marx-Engels Institute during the early years of 1920s and the record of his speech on his relation with the Mensheviks from the early 1920s contained in the proces-verbal of the trial in November 1927 a few days before his execution (article by Rokitjanskij, Hecker). These annexed materials give information of various kinds useful not solely for the reading of this manuscript. And the publication of the several photographs (all of which are portraiture taken at various times of his life presenting Rubin in one person or him with his wife) may be an occasion of seeing the live figures of himself for everyone who has known him by name. These photographs may be those which have been conserved for a long time in his family together with the manuscript and have

7 Исаак И. Рубин, Очерки по теории денег Маркса, там же, стр.501-625. In December 2011, also in commemoration of the 125th anniversary, a mini-conference (Российская Академия Наук Институт Экономики, Теоретическое наследие И.И. Рубина и судьбы политической экономии) was organized by the Institute of Economy of Russian Academy of Sciences, and its proceedings have been published.

become a part of the collections in РГАСПИ.

Now, the size of ‘Essays on Marx’s theory of money’ is a little more than 100 pages in the present Russian edition (about the same in the German edition with a different language and typography), which corresponds approximately to that of the first edition of Essays on Marx’s theory of value published in 1923. According to Vasina’s introductory essay, the manuscript is written over 138 sheets of a large format, and the title for the whole of the manuscript is given by the author himself. The existing manuscripts may be considered, judging from its state, to be a fair copy of the draft, prepared for printing (a photocopy of the first page of the original manuscript with the title at the head is published on page 8 of the German translation). But on the other hand, traces are left testifying that the author still continued to reread and rewrite (a number of notes, question marks, dots in the margin, corrections and additions with pencil and pen⁹), which indicates that the manuscript was not yet finally completed for the publication.

On the first page of the manuscript numbered by the author, after the title for the whole comes a title for the following part (called ‘chapter’ in the text, hereafter we adopt this name), and the text follows. The later titles are all put at the head of a new page indicating the beginning of a new chapter, and the preceding page (end of the previous chapter) is sometimes left with blank in its lower part. The editor judges such places as the transitions from chapter to chapter, and treats the title put at the head of a new page as that of the following chapter. But, unlike the title on the first page, chapter numbers are not added to the following titles. There exists also a case in which the whole of the page preceding a new title is left blank. Such a state of the manuscript allows to infer that it was not yet finally completed and left room for later retouches. The chapter numbers indicated below in the composition of the whole of the manuscript, other than that of the first chapter, are supplemented by the editor.

I. The theory of value and the theory of money in Marx

[II.] The necessity of money

[III.] Money as the result of the contradiction between the use value and the exchange value of a commodity

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⁹All these are reproduced by the editor in the corresponding places on the printed pages. Incidentally, the editor considers the lack of an introduction to be one of the proofs for judging this manuscript uncompleted. But this judgement may not be necessarily correct, because the actually published first edition of Essays on Marx’s theory of value was not equipped with anything like introduction or conclusion.
[IV.] The generation of money

[V.] Money and abstract-social labour

[VI.] The measure of value. What is the measure of value?

[VII.] The means of circulation

[VIII.] Money as hoards.

‘Essays on Marx’s theory of money’ is composed of the above eight chapters. Only in chapter [VI.] there is a subtitle with neither a number nor a sign. According to the content of the text of the chapter, the part following this subtitle appears to treat the same subject till the end. But if the manuscript were complete, it would not have been in such a form. This may also be indicate its incomplete character.

This manuscript composed of eight chapters seems to be broadly divisible in point of its contents into two parts at the end of the chapter [V.]. Using the expressions of Rubin himself, in the first part the ‘general theory of money’ is discussed specially from the point of view considering Marx’s theory of value and his theory of money as constituting an inseparable unity, while in the second part the ‘individual functions of money’ become the subjects of examination the three functions of money roughly in the same order as in chapter three of Capital in its second and subsequent editions (and in chapter two of Contribution to the Critique of Political Economy). From the titles of the chapters of the first part and its subject as a whole, it is evident that this part is not a simple explanatory description of the beginning part of these works of Marx, indeed the author brings forward here his original interpretation on the theoretical constitution of the chapter one of Capital composed of four sections (in its second and subsequent editions). In the same way, the second part has as its main contents not a simple explanatory description about particular points in Marx’s theory of money, but a presentation of the interpretation proper to the author on each of the functions of money, and in relying on this interpretation he debates with several contemporary Marxists (and non-Marxists).

When was written the manuscript of ‘Essays on Marx’s theory of money’ left unaccomplished and unpublished and even the existence of which has remained totally unknown up to the present? In reliance on the inference of Vasina in her introductory essay, a

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10 As we are to see later, although emphasising an intimate relation between the theory of value and the theory of money, for whatever reason it might have been, Rubin made no mention of ‘Essays on Marx’s theory of money’ in Essays on Marx’s theory of value reedited as many as three times during the 1920s from its first edition in 1923, which makes it probable that he never publicly made known the existence of its manuscript.
certain number of hints contained in the manuscript, and the contents of other works of Rubin already known to us (furnishing, however, no direct mention nor hint to this manuscript), for the moment I think of the time of its writing as follows:

The references quoted in the first part of the manuscript are all from publications prior to 1923. In particular, the text of Hilferding’s *Finance Capital* quoted three times in this part is that of a Russian edition appeared in 1918. And toward the end of chapter [V.], the last in the first part, there is exceptionally one quotation from the first edition of *Essays on Marx’s theory of value* appeared in 1923 (the second edition was in 1924). And again at the beginning of chapter [VI.], the first in the second part, we find a quotation from the same book of Hilferding, but this time Rubin quotes from a Russian translation published in 1923, in addition, from the same passage as in one of the three previous quotations in the first part of the manuscript. This may suggest that there existed a certain period of interruption between the time of writing of the first part and that of the second part, which again makes it possible to infer that the writing of the first part of the manuscript began during the exile or imprisonment after his arrest at the end of February 1923 which falls on almost the same time as the publication of the first edition of *Essays on Marx’s theory of value*, and its writing continued up to a certain point of time between the completion of the work for the supplements of wide range for the second edition11 carried out in similar conditions and the actual publication of this edition somewhere in 192412.

11With these supplements the second edition was enlarged to about twice as much as the volume of the first edition. Therefore the work for this new edition did probably not finish in a short time.

12In June of this year, Rubin began the work of translation for a new Russian edition of *Contribution to the Critique*, entrusted to him by Riazanov. The existing Russian edition of *Critique* in diffusion at that time was a translation by Rumjancev, the first edition of which had been published in 1896. In various parts of *Essays on Marx’s theory of value*, when mentioning *Critique* Rubin indicates problems contained in this translation and expresses his dissatisfaction with the existing translation. The preparation of a new translation may have been equally what Rubin himself aspired. The ultimate result appeared in 1929, the 70th anniversary of the publication of *Critique* by Marx. The writing of the manuscript on the theory of money seems to have proceeded in close connection with the preparation of this new translation. For the quotations made from *Critique* in this manuscript, Rubin uses in parallel the third edition of the existing Russian translation (1922, Petersburg) and the original German edition edited and published by Kautsky in 1922. During the beginning parts of the manuscript, the passages quoted are indicated first on the Russian translation and then the corresponding pages of the German edition are given, but on the midway this order of reference indications is reversed so as to attach more importance to the German edition. Vasina says in her introductory essay that the translated Russian text used for the quotations in later parts of the manuscript deviates more from the existing translation and approaches more to the new translation by Rubin. This also allows to infer that the writing of this manuscript was carried out during the time encompassing
Rubin’s term in prison ended in November 1926 and he was allowed to have his residence in Moscow. He became a staff member of Marx-Engels Institute under Riazanov. In a report presented at that time, he mentioned as an item of his work in the Institute that he was continuing to write the manuscript of ‘Essays on Marx’s theory of money’ between 1926 and 1928. And, as we are to see later, the chapter [VI.], the first in the second part of this manuscript, contains some important points and arguments sustaining them, which he developed for the first time in an article written probably at the beginning of 1927 in response to the critiques appeared in 1926 against the second edition of Essays on Marx’s theory of value, and which he was to incorporate in the following year into its third edition. Thus it seems that he resumed the writing of the second part of the manuscript towards this period of time. And, for the quotations from Hilferding’s Finance Capital newly added to the text of chapter 9 in the third edition of Essays on Marx’s theory of value, Rubin used the Russian edition of 1923, while all the other quotations already existed from the second edition published in 1924 were drawn from the Russian edition of 1918. This coincides with the other fact that, while in the first part of the manuscript on the theory of money the edition of 1918 is used, that of 1923 is used for the first time in the one quotation made at the outset of its second part. The two different quotations made in these two separate works seem to have been closely related in their time sequence.

From all these circumstances, the interruption between the writing of the first part and that of the second part is supposed to have continued from the mid-1924 to the end of 1926 and the resumption of the writing may probably not be at some point of time between them. On the other hand, in the manuscript there is no mention (direct or indirect) of the literature of the debate which appeared one after another after the publication of the third edition of Essays on Marx’s theory of value in (probably mid-) 1928. In her introductory essay Vasina says that the manuscript remained unachieved because, occupied with the debate after the publication of the third edition, Rubin was deprived of time and energy for completing the manuscript on the theory of money. But actually, even after 1928, he always continued to carry out many other works in making use of the rest of time left for him. Perhaps the question is not so much whether he was too busy with the debate, as how he viewed the work still required to be done in order to complete the manuscript and the real possibility of its publication in the situation at that time, and so how he fixed the priority among the various works left to be done. In any case,
somewhere between 1927 and 1928, he may have abandoned the completion of the essays on the theory of money, or at the best decided to leave it for a future resumption.

All in all we can infer as following: the first part of the manuscript ‘Essays on Marx’s theory of money’ was written during a little more than one year (in exile or in imprisonment) between March 1923 and mid-1924 before Rubin started the work for a new translation of Critique (and in addition, for his voluminous book History of economic thought and its by-product Classical authors of political economy ---from the 17th century to the mid-19th century--- collection of excerpts from the works of economists with explanatory essays, both to be published in 1926), and its second part was written equally during a little more than one year between the end of 1926 and a time towards the beginning of 1928 when he was occupied with the work of amendments for preparing the third edition of Essays on Marx’s theory of money. The total time period for writing this manuscript may be about two and a half years, which is however the maximum length inferable from various circumstantial evidences disposable at present, but possibly it has been written in fact in a still shorter time than this maximum. But for the moment it is difficult to be more precise in inferring the time of writing.

In the following, I will try to examine and evaluate some main points of argument contained in ‘Essays on Marx’s theory of money’ with necessary minimum of its presentation, according to the composition of contents of this manuscript. I will take up for discussion the following four subjects: the theory of value and the theory of money in Marx’s theory of capitalist economy, the genesis of money and the substance of value, function of the measure of value, capitalist economy and money as hoards.

1. The theory of value and The theory of money in Marx’s theory of capitalist economy

The Chapter I entitled ‘I. The theory of value and the theory of money in Marx’ is formally one chapter along with the following seven chapters, but is substantially of an introductory character relating to the whole of this uncompleted work. In this beginning part presumably written soon after the publication of the first edition of Essays on Marx’s theory of value, Rubin speaks us, with a style full of tension conveying author’s enthusiasm, of his point of view and of the method of exposition about the whole of the theory of value and the theory of money put at the beginning of Marx’s theory of capitalist economy presented as Capital (and Contribution to the Critique), thus he sheds some new lights on his already published previous work. In this respect, this chapter I can be read as a methodological reflexion on his two Essays
as a whole, clarifying certain aspects of *Essays on Marx’s theory of value*, hardly discernible from within it. This chapter is a little shorter than 13 pages, not particularly long among all the eight chapters. It contains however extremely important arguments concerning in some sense the whole of Rubin’s work. In the following, I will briefly introduce its contents in dividing them into three points and try to discuss their potential meaning.

i) relation between the theory of (Essays on) value and the theory of (Essays on) money

It may be natural that *Essays on Marx’s theory of value* does not contain, according to its title, the theoretical domains covered in the chapter 3 of the volume I of *Capital* (the second and subsequent editions) ‘Money or circulation of commodities’ (the title of the corresponding chapter 2 of *Critique* is ‘Money or simple circulation). But, the theory of money in Marx does not begin only in these chapters after the chapter 1 entitled ‘Commodities’, but is brought forward already within the chapter 1, inseparably from the development of the theory of commodity value, in the form of genesis of money in the commodity economy. Rubin may have been well aware of the problematic of the fact that such a theory of money as one with the theory of commodity value was not explicitly treated in his *Essays on Marx’s theory of value* (i.e. of the problematic of a lack in a systematic interpretation of Marx’s theory)14. Isn’t it

13 and the chapter 2 entitled ‘Exchange’. Originally, in the first edition of *Capital* the content of this chapter was included in the chapter 1. In the second and subsequent editions the sentences almost the same as in the first edition were separated to become an independent chapter 2. In my view, the logical structure of the theoretical development (the theory of the genesis of money) is rather obscured by such a change (this point will be discussed hereafter.).

14 Nevertheless, nowhere in the published *Essays on Marx’s theory of value* there exists any word or sentence pointing out or even alluding to such a problem, not to mention the necessity or a plan of writing another work complementary to this one. On the contrary, the short introduction added to the second edition published in 1924 begins as follows: ‘this edition, in comparison to the first edition, is fundamentally rewritten principally with a view to make it a more complete and systematic description of the basic problems of the theory of value.’ (И. И.Рубин, *Очерки по теории стоимости Маркса, второе издание переработанное и дополненное*, ГИЗ, 1924, Предисловие к второму изданию, стр.3.) Thus he tells us that he prepared the second edition so as to give it a more complete form as a systematic interpretation of Marx’s theory of value. Such a claim may certainly be justified with regard to the first edition. But if one compares this announcement with the content of chapter I of the unpublished ‘Essays on Marx’s theory of money’ Rubin began to write immediately after having made such an announcement to his supposed readers, one must be surprised at the difference between them. He continued to take openly such a stance after the second edition. Vasina, editor of this unpublished manuscript, says too in her introductory essay that ‘the first book ---*Essays on Marx’s theory of value*--- can never be considered to be completed without the manuscript here published.’ (Васина, там же, стр. 493, cf. note 6 above.)
precisely because of this that, just after having published this work for the first time, he put his hands to the drafting of a new work with a twinned title ‘Essays on Marx’s theory of money’\(^\text{15}\)

The chapter I begins with the following sentence: ‘Marx’s theory of money finds itself in an intimate, inseparable connection with his theory of value. This connection is more intimate than those existing between other parts of Marx’s economic system.’ (И. И. Рубин, Очерки по теории денег Маркса, там же, стр.501) What is here directly brought into question is the structure of Marx’s theory in *Capital*, but at the same time the author seems to speak here also about how he conceives the work of himself consisting in interpreting Marx’s theory (i.e. about the relation between his two *Essays*). The ‘connection’ put forward at the outset of this manuscript is explicitly discussed only as a problem concerning the theory of Marx, but in fact here are raised two problems of somewhat different nature. In other words, at the same time as indicating how in *Capital* the theory of value and the theory of money are in an intimate and inseparable connection, here Rubin was going to discuss actually how he himself was to treat

\(^{15}\)The fact that Rubin began to write another *Essays* following one *Essays* seems to show in itself that he was conscious of this ‘lack’. This lack is pointed out in the literature of debate in the 1920s as well as in the literature written in different contexts in later times. The following two quotations are examples of each of them. In the book review appeared in the following year of the publication of the third edition of *Essays* on value, written from the standpoint of defending this work, the authors remark that in this book is not included the theory of money and they put forward the necessity of supplementing the former with the latter: ‘If the *Essays* had been further developed in arguing out the problems of money in relation to Marx’s theory of value, extremely valuable results would have been obtained. Marx’s doctrine on money is directly connected with his doctrine on the abstract labour. If the reciprocal relations between the abstract labour and money in Marx had been argued out, that would have brought about further enrichments of *Essays* remarkably enhancing its value.’ (А. Греблиц, М. Коровой, И. Степанов, К спорным вопросам теории стоимости (По поводу книги И. И. Рубина “Очерки по теории стоимости Маркса”, Большеовик, No.3, 1929, стр.74.) And, in the article of Shkredov on the theory of the forms of value (centered on the characterisation of the form I) published in a collection of articles studying the manuscripts of *Capital*, edited in the 1980s in relation with the editorial work of new MEGA carried out in Soviet Union at that time, concerning the above problem the author points out as follows: ‘the fundamental drawback of the discussion of the 1920s to the 1930s about the abstract labour consisted precisely in the abstraction from the form of value. Without the form of value it is impossible to reduce a particular labour to the abstract, general labour, and so the right solution to the debated problems was objectively excluded.’ (В. П. Шкредов, Анализ формы стоимости в 1 томе “Капитала”, in В. С. Выгодский и др. (ред.), Очерки по истории “Капитала” К. Маркса, Издательство политической литературы, Москва, 1983, стр.273.) In a part of this article the author mentions the value debate in Soviet Union during the 1920s to the 1930s, in an extremely abstract way without concretely referring to the names of participants in it including Rubin and to the literature of debate. It may be because of the situation at that time when Rubin’s honour had not yet been restored. In any case, these remarks would have been much different, if ‘Essays on Marx’s theory of money’ had been known to the authors.
the two theories tied in such a connection (a subject never taken up in Essays on value\(^\text{16}\)). But, although for Rubin it was evident from the outset that his two Essays were in a close connection, in this manuscript he did never explicitly and concretely showed how these Essays would be related to each other when they would become available for the readers, probably because at that time he had no clear foresight about the definitive completion of this manuscript on the theory of money and its publication (in this unpublished manuscript there exists one mention of Essays on value including a quotation from it, while in the published Essays on value nothing is said about another Essays.). In addition, there exist in this manuscript a number of passages apparently presupposing Essays on value (without naming it), so it is undeniable that the arguments contained in Essays on value cast shadow on those developed in this manuscript\(^\text{17}\).

Concerning the aspects in which the theory of value and the theory of money are distinguished as two distinct approaches to the one same object, commodity economy, Rubin says as follows: ‘In so far as the exchange of commodity against money is in its essence an exchange of commodity against commodity (C—M—C), i.e. equalization of all the commodities, this side of the process of exchange is studied by the theory of value. In so far as the exchange of commodity against commodity takes place necessarily in the form of an exchange of commodity against money and of money against commodity (C—M and M—C), this side of the process of exchange is studied by the theory of money. Both theories study the different sides of the same process.’ (там же, стр.502)

Here is shown at the same time Rubin’s fundamental comprehension about the commodity exchange and money as its intermediary, according to which, the monetary exchange is also a

\(^{16}\)However, in a review article, unlike in the text of Essays on value, the concept of money is explicitly given as a constituent part of the theory of value as following: ‘The following five concepts are the basic concepts on which Marxian theory of value and money rests: (1) the relations of production of the commodity producers, (2) abstract labour, (3) value, (4) exchange value and (5) money.’ (И. Рубин, Абстрактный труд и стоимость в системе Маркса, Под знаменем маркизма, No.6, 1927, стр.117.) This article is greatly relevant to the amendments for the third edition of Essays on value published in 1928 (which is de fact the definitive edition and the exemplar of the English version, now most easily accessible).

\(^{17}\)Ivan A. Boldyrev, in his succinct and cogent English article published in the German edition of Essays on money ‘On Rubin’s Interpretation of Marx’s Theory of Money (Ebenda, SS.145-152, cf. note 8 above.), also points out that arguments contained in this manuscript can be considered in relation with Essays on value.
commodity exchange after all, the former can be reduced to the latter. He thinks naturally in this way just because money is for him also commodity in the last instance (The theory of commodity money, major premise both Rubin and Marx did never bring into question.\textsuperscript{18}). On the contrary, to make the commodities capable of relating directly to each other, it is required to treat them all as money (‘commodities as money’). Thus, in the theory of value the commodity appears (is treated) not as the unity of value and use value but only as value. But in fact the exchange of commodities as commodities takes place necessarily in the form of exchange between commodity and money. This side of the process is studied in the theory of money. Thus, in the theory of money the commodity appears as the unity of value and use value, and a commodity with particular use value is shown to function as money. Though C–M–C comes to C–C–C after all, the intermediary term is in fact occupied by a special C assuming the function of M. In this sense the two theories study the same process considered from two different points of view.

It is evident that Rubin presupposes a fundamental identity between commodity and money, which involves further a certain assumption about the working of the economic society presupposed in the theory of value and theory of money. Just before the sentences quoted above he had written as follows: ‘Money not only grows out of commodity but also presupposes commodity. The relation between the possessor of commodity and the possessor of money is also the relation between independent commodity producers. The possessor of money was yesterday a producer and possessor of the commodity, sold out by him for money.’ (там же)

Hence, in the framework of the theory of value and theory of money, the production and possession of a commodity is considered to be an absolute condition for obtaining money. This applies only to the independent commodity producer (i.e. in this theoretical framework, the economic agents incapable of producing commodity for themselves in particular wage labourers,

\textsuperscript{18}Rubin says in chapter [IV.] on ‘the generation of money’ as following: ‘Money appeared as a result of gradual extension and complication of exchange, through repeated massive unconscious actions of participants in exchange, without deciding conscious influence of the state power. In other words, the provenance of money assumes a socio-economic but not state character, a spontaneous but not conscious character.’ (там же, стр.537-8) Rubin, faithful to Marx, is coherent in adopting the position of the theory of commodity money, criticizes Knapp’s state theory of money (Knapp, Georg Friedlich, \textit{Staatliche Theorie des Geldes}, 3. Aufl., Munchen, Leipzig, 1921) at the end of chapter [IV.] devoted mainly to a description of the historical origin of money for the most part in reliance on the then disposable secondary information. This work of Knapp, exercising a wide influence on the theory of money at that time particularly in German-speaking area, was published in 1905 (first edition) and in 1918 (second edition), but according to the editor Rubin referred to the third edition.
and also the other kinds of economic agents capable of obtaining money without selling commodities they themselves produce, for example, landowners or rentiers, are excluded from the outset.). In this way, the nature of the economic agents in the theory of value and theory of money (their homogeneity as commodity producers, possessors and exchangers), left deliberately ambiguous in Marx, is made explicit in Rubin. It is the production of commodities on their own (and the possibility of procuring the necessary means of production) that is the ultimate precondition for obtaining money. Only one exception however is recognized: money being a kind of commodity, among the means for getting it is included a special kind of commodity production (gold production), in addition to the exchange by means of the self-produced commodity. Money is produced as a commodity.

The two fundamental theoretical presuppositions seen above (money is commodity, money possessor is commodity producer) go invariantly throughout the ‘Essays on Marx’s theory of money’.

From what is said above about the intimate connection between the theory of value and theory of money Rubin draws the following conclusion: ‘the double-sided character of the connection between these two theories. [...] The theory of money does not only arise from the theory of value, but inversely, the theory of value cannot be developed without a theory of money and finds its accomplishment only in this theory. Marx’s theory of value is based on the supposition of a monetary economy, more exactly, Marx takes for the starting point of his analysis the fact of all round equalization of all the commodities one with another, characterizing a monetary economy and impossible without the intermediary of money.’ (там же)

Though money is commodity in the last analysis, Rubin does not consider the theory of money as reducible to the theory of value but thinks them rather to be in a reciprocal relation. And on the contrary, he does not adopt the view that the theory of value cannot but be a theory of money, but for him these are always two theories though in an extremely close relation. Only their mutual independence is extremely slight. In presenting such a view on the relation between the two theories, he tells about his idea how to understand the theoretical construction of the chapter 1 of the volum I of Capital of Marx, at the same time as explaining the relation between the two Essays, of which he was occupied with the writing of the one following the other. In other words, for him the analysis of commodity in the first two sections of chapter 1 of Capital discussing the substance of commodity value, while appearing to query the relations between commodities, in fact already presupposes money. This is shown by the fact that Marx
poses at the starting point of his analysis the situation observed in the developed commodity
economy (naturally presupposing money), i.e. an all-round equalization of all the commodities.
And, the last two sections of chapter 1 of Capital as the basis of theoretical explanation of the
generation of money do not suppose, on their part, an already established theory of the
substance of commodity value, but in fact complement and deepen in themselves the theory
brought forward in the first half of the chapter, in the form of the theory of generation of money.
If one can say as much as these about the chapter on 'Commodities' of Capital, it seems that the
theory of value and theory of money of Rubin as its systematic interpretation could well be
integrated into one single theory. That is, instead of considering his two Essays as a couple of
complementary works, he would rather have gone so far as to conceive Essays on money as a
completed single work replacing Essays on value and covering the whole of Marx's theory of
value and money. But he constantly talks about the relations between two Essays in supposing
the existence of each of them. This may be because of the irreversible fact that he had already
written and published Essays on value as an independent work (and even prepared its largely
extended second edition).

Only in chapter I of this manuscript it is made explicit that the theory of value as is seen
above presupposes (the theory of) money. This is what was never spoken of in the theory of
value developed in the Essays on value. Thus the chapter I is virtually the general introduction
of Essays on money. The problem raised here is more precisely as following: 'Lets consider the
problem, in what degree Marx's theory of value is built on the presuppositions of monetary
economy.' (там же) One of the principal motives which made Rubin write and publish Essays
on Marx's theory of money was to criticize the erroneous reading of the beginning passages of
Capital defended in common by all the participants in the debate about the procedure of
deduction of the substance of value in Marx, debate begun with the critique of Böhm-Bawerk.
The aim fixed at the beginning of Essays on money as seen above succeeds the similar
problematics of Essays on value in a new theoretical framework. Also in this point can be seen

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19 According to this reading, Marx deduces there the substance of value starting from the
exchange relation between two commodities through a logical abstraction, and whether such a
procedure can be justified or not is the key point determining whether Marx's theory of value is
right or wrong. In the first chapters of the part II entitled 'Marx's labour theory of value' of
Essays on Marx's theory of value (from chapter 6 to chapter 9 in the first edition, in the second
edition from chapter 8 to chapter 11), Rubin makes of his anti-critical comments to
Böhm-Bawerk's critique of Marx one of the objectives of his interpretation of Marx’s theory of
value.
the connection between these Essasys. In the next section we will consider this point in detail.

ii) particular theoretical framework of the beginning of Capital: 'commodity as value (money)'

In the first pages of the chapter 1 'Commodities', Marx has recourse to a way of arguments which appears to be a logical 'demonstration' (so called 'method of distillation'), which consists in deducing the abstract human labour as the substance of value from the exchange relation between two commodities of different use values. These paragraphs put at the beginning of the first chapter of Capital became an easy prey for the critiques by Böhm-Bawerk etc. as the kernel of Marx's theory of value. But Rubin claims that such theoretical disputes themselves are caused by a fundamental misunderstanding on the starting point of Marx's theory, and he demands its renovative reading as follows:

However, more careful study of Marx shows us an unconditional defectiveness of the viewpoint which reduces his theory of value to 1) the analysis of the fact of exchange of two commodities, 2) aiming at finding a measure of their comparison./ As his starting point Marx takes not an equalization of one commodity to another, but an equalization of each commodity to all the other commodities, existing on the market, i.e. all round equalization of all the commodities to each other.' (там же, стр.503. Emphasis in original. Slash indicated the change of paragraph.)

Marx puts at the outset of his theory not the relation between two individual, concrete

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20 From the time when he conceived for the first time the plan of his system of critique of political economy in the economic manuscripts drafted at the end of the 1850s known today as Grundrisse, Marx wrote several manuscripts covering its first part on commodity, value and money. This way of arguments called ‘method of distillation’ (and the deduction and demonstration of the substance of value with this ‘method’) saw its first prototype in Marx’s two-sided critical examinations on Ricardo and his critic, Samuel Bailey (‘3) Polemical writings’ in ‘k) Disintegration of the Ricardian School’) in Theories on surplus value, written in some of the 23 notebooks of manuscript he drafted between 1861 and 63. In the earlier writings such as ‘chapter on money’ of Grundrisse or chapter 1 of Critique, the substance of value was never an object of theoretical deduction or demonstration. The reason for Marx’s adopting such a way of arguments can be found in the examinations made by him in the manuscript of 1861 to 63 about the historical circumstances of the economic thought around the theory of value of Ricardo. Incidentally, the passages in Theories on surplus value Rubin refers to (using the original German edition edited by Kautsky and published in 1919) in the context of his critical examinations on Böhm-Bawerk’s critique of Marx (там же, стр.505-7) are almost all taken from the above indicated section. This seems to indicate that Rubin was aware from early times of the importance of Marx’s two-sided critique of Ricardo and Bailey and of the impact this critique made on the theoretical structure of the first chapter of Capital.
commodities\textsuperscript{21}, but the relation of all round equalisation of various commodities. Naturally, such a relation of commodities must actually presuppose money. But in Capital money is explicitly invoked far afterwards in the introductory part of the section 3 of the chapter 1 ‘the form of value or exchange value’ (in the second and subsequent editions), while in the first two sections of this chapter where the substance of value is determined, the term ‘money’ is never used, so that the arguments in these sections proceed as if the commodities related each other directly. And the all round relations among the commodities depicted here do not express the relations into which the commodity possessors are going to enter after their production in order to exchange their own commodities with others. It is natural that the commodity producers specialized in the production of a particular kind of commodity in the developed division of labour will exchange each portion of his commodity with various other kinds of commodities. But they do so in order to satisfy their desires in acquiring a certain number of consumption goods, or to prepare for the next production period in procuring various production goods. The kinds of commodities required for these aims from each commodity producer (possessor) must be limited in number and their contents and ranges must differ from person to person. As value, every commodity has potentially the possibility of all round relations with all the other commodities. But each commodity is at the same time a particular use value, in this regard it can be related only with a limited number of particular desires which can be satisfied by it. Nevertheless, in the first two sections of chapter 1 of Capital discussing the two factors of commodities and the double character of labour (the former resulting from the latter), Marx says as if the commodities entered into the relation of all round equalization. This is because he relates with each other the commodities seized exclusively as value, with a view to clarifying the notion of the value of commodity.

But in reality, Marx was completely aware that such cannot be the direct reciprocal relation of commodities\textsuperscript{22}. It is because of this that he added, immediately after having deduced

\textsuperscript{21}Attention is to be paid to the fact that this relation is called ‘equalization (приравнивание or уравнивание)’ (these belong to key concepts of Essays on money) and not ‘exchange’.

\textsuperscript{22}Or rather, to show the impossibility of such a direct relation among commodities as values was one of the purposes of Marx’s theory of commodity and value ---to be necessarily constituted as a theory of the generation of money--- since Grundrisse. Marx’s theory of commodity and value was at the same time a critique of the labour theory of money, which can go back so far as to the critique of Proudhon since Misère de la philosophie of 1847. However, such a theoretical background can hardly be seen from the letter of Capital, result of repeated elaborations since then.
by means of the above ‘method of distillation’ the labour as the substance of value, the following proviso-like phrase (quoted from the corresponding passages of the first and second editions): ‘Therefore the commodities must be considered independently from their exchange relations, i.e. from the form in which they appear as exchange-values, simply as values (als Werthe schlechthin)\(^{23}\).’ ‘The common substance that manifests itself in the exchange value of commodities, whenever they are exchanged, is their value. The progress of our investigation will show that exchange value is the only form in which the value of commodities can manifest itself or be expressed. For the present, however, we have to consider the nature of value independently of this, its form\(^{24}\).’ With slightly different wording, these two sentences in the same context tell virtually the same thing, i.e. that the substance of the value of commodities determined in the following is given in total abstraction from the form in which the commodities relate themselves as commodities (‘exchange relations’, ‘the only form in which the value of commodities can manifest or be expressed’), in considering ‘for the present (zunächst)’ all the commodities exclusively only as values, but that the value of commodity must however have a form in which to express itself, which cannot be seized as far as all the commodities are solely treated as values, to which hence it is necessary to get back afterwards.

In that the determination of the substance of value in the first two sections is given in seizing all the commodities as values in abstracting from the way in which commodities mutually relates themselves as commodities, this determination is characterized as ‘analytical’ in contrast to the chapter 2 on the process of exchange, just as the theory of the forms of value in section 3 of chapter 1 is thus characterized. Nevertheless, this theoretical framework in which the determination of the substance of value is given is not the same as that of the theory of the forms of value. It is certain that in the latter each commodity is always not seized as the unity of value and use value, but in the latter the use value as the objective (material) support of the value\(^{25}\) comes to play an indispensable role for the expression of value.


\(^{25}\)In speaking of the use value of commodities at the beginning of chapter 1 of *Capital*, Marx says as follows: ‘The utility of a thing makes it a use value. But this utility is not a thing of air. Being limited by the physical properties of the commodity (Waarenkörper), it has no existence apart from that commodity. A commodity, such as iron, corn, or a diamond, is therefore, so far as it is a material thing, a use value, something useful. [...] They also constitute the substance of
Following the above quotation Rubin says that money is de facto presupposed at the starting point of *Capital* where the concept of value is brought forward (in spite of the fact that the all round equalization of commodities appears to be discussed as something which takes place between commodities, not in the form of C-M-C but of C-C), as follows: ‘Each commodity is equalized to all the other commodities (which is possible only by means of money). Each commodity has the property of exchange value\(^{26}\), i.e. its possessor has the possibility of equalizing it to any other commodity and exchange it (through money) with this.’ (там же, стр.503) ‘Leaving aside for a time the role of money, Marx studies the general character and fundamental results of this social process, leading to an all round equalization of all the products of labour.’ (там же, стр.505)

In this way, in the first half of chapter 1 of *Capital*, the commodity is seized only as value (in fact as money), and there is depicted a situation as if all the commodities entered into their reciprocal relations as values (which is to be denied and repealed afterwards). The so-called ‘physiological determination’ of the abstract human labour brought forward in the second section of this chapter is also revealed, later in the second half of this chapter, to have been only

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\(^{26}\) According to the terminology of *Capital*, this would be ‘value’. It is well known that in *Critique* Marx does not yet clearly distinguish the two terms ‘value’ and ‘exchange value’ and uses many times the term ‘exchange value’ for the meaning expressed by the term ‘value’ used in *Capital*. Rubin became clearly aware of the circumstances resulting in the distinction between these terms relatively in later years in his career, in 1928 when he was busy with the amendments of *Essays on Marx’s theory of value* for its third edition (the title of chapter 12 was then changed from ‘Value and exchange value (content and form of value) to ‘Content and form of value’) and in 1929 when he published an article especially devoted to the discussion on this distinction. In *Essays* on money (particularly in its first half), many examples of the similar use of the term ‘exchange value’ can be found. This also seems to indicate that this manuscript was written as a whole before 1928.
a determination of the substance of commodity value advanced in such a provisory theoretical framework. In chapter I of Essays on money, such a particularity of the theoretical development in the first part of Marx’s theory of commodity is apprehended as follows: ‘In the process of developed market exchange each commodity as exchange value is fully equal to any other commodity and can replace it in a certain proportion. This means that in the real process of market exchange all the commodities actually equal one to the other, equal not according to their material properties, but according to their social function. Since the social function of commodities on the market consists in compensation (уравновешивание) of the other commodities and since in this process of mutual compensation of the commodities each commodity can replace any other commodity in a certain proportion, it follows then that the all round equalization of the commodities on the market signifies the unity of their social function or social nature.’ (там же, стр.508-9. Emphasis in original.) What Rubin said in the above i) of the present article about the angle of view adopted in the theory of commodity distinct from that of the theory of money, to the effect that in the former C-M-C is provisionally reduced to C-C and the whole of the process is examined in its unity (which is considered to be possible because money is also a commodity), is here showed more concretely. Here every commodity appears purely ‘as value’ (ultimately ‘as money’, though this is not made explicit).

But the commodity must always be a use value at the same time as it is value. Beginning the consideration of the forms of value in the latter part of the chapter on ‘Commodities’, Marx says that the ‘commodity as value’ is not something that can really exist but merely a ‘thing in the thought (Gedankending)’27, and that the mutual relation between commodities as values (all round reciprocal equalization) seen above was ‘a theoretical relation which existed merely in the thinking’28. When taking the commodity exclusively as value, Marx said that ‘the progress of our investigation will show that exchange value is the only form in which the value of commodities can manifest itself or be expressed,’ (cf. the above note 24). And now saying as if echoing to this statement that ‘we must now return to this form under which value first appeared

27 Marx, Das Kapital. Kritik der politischen Ökonomie. Erster Band, Hamburg 1867. Neue MEGA, II/5, Ebenda., S.30. And Marx says further in the same page as follows: ‘As value the linen consists only of labour, makes up a transparently crystallized jelly of labour. In reality this crystal is however very hazy.’ (emphasis in original.)

to us\textsuperscript{29}, he is going to take up once more, in a renewed framework, the analysis of commodity and the determination of the substance of value developed prior to the theory of the forms of value\textsuperscript{30}. The view of Rubin on the complex relation between the theory of value and the theory of money, regarding the latter as the extension of the former at the same time as being its presupposition, is more concretely developed in such a way.

The chapter I of \textit{Essays} on money is concluded by resuming the subject presented at the beginning (cf. the section i) above) on how to comprehend the theoretical structure of the whole of Marx’s theory of commodity, in giving weight on the meaning of the latter half of the chapter I of \textit{Capital} (forms of value and fetishism). Among his writings now available to us, Rubin made discussions not limited to a mere incidental mention on the forms of value probably only in this part of chapter I and chapter [V.] ‘Money and abstract-social labour’ (cf. the passages quoted in note 15 above from Russian researchers of the 1920s and the 1980s). However, he does not enter into the inner minute problems of the theory of the forms of value (as they were discussed in Japan after the war), but only presents his interpretation centring on its meaning and its relation with the other parts in chapter 1 of \textit{Capital}.

iii) constitution of the first chapter of \textit{Capital} (the determination of value in the first half and the meaning of the second half)

The remarkable structural feature of \textit{Essays on Marx’s theory of value} ever characterizing it from its first edition is that its Part I ‘Marx’s theory of commodity fetishism’ made up of several chapters is placed before the beginning of the main theme indicated in the title of the book, so that the theory of reification (fetishism) functions as the theoretical presupposition for Rubin’s interpretation of the theory of value of Marx. Such a point of view of his does not change in \textit{Essays} on money, always constituting the basis of his interpretation of the theory of money in this manuscript. In a society where individuals as free private proprietors and

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\textsuperscript{30}If such is the case, a question may naturally arise: why did Marx adopt such a complicated, so to say roundabout theoretical constitution instead of applying a more clear-cut direct way of explanation? In the third edition of \textit{Essays} on value and in articles published after that, Rubin seeks the answer to this question in the fact that, when writing the chapter 1 of \textit{Capital}, Marx took into consideration the circumstances in the history of economic thought around the labour theory of value. But as the subject of the present article is to introduce and examine the main points of argument of \textit{Essays} on money, I must refrain from entering into the details of this problem.
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producers enter into relation only through the commodity exchange on the market, the relation between things (exchanged commodities) precedes the relation between labours spent on their production, and, the relation between persons comes into existence only through the relation of labour formed via the relation between things. Correspondingly to this, in a theory aiming at clarifying the relation between persons in the commodity economy, attention is paid first to the relation between things, and it is only through this relation that the relation between labouring persons (producers) can come into question. Rubin says that it is on the basis of such a point of view that Marx deduces the equalization (abstraction) of labour from the equalization of commodities at the beginning of Capital. ‘The equalization of commodities on the market expresses an equalization of social labour in the process of its distribution among various branches of production. In this process all the differences in individual labour expenses are equalized, which appear at first as private, concrete and qualitatively various and individual labour expenses and only as a result of the process of exchange are transformed into social, abstract, simple and socially necessary labour. To the qualitative equality of commodities on the market corresponds the qualitative equality of labour in the social process of its distribution.’

(Рубин, там же, стр.511) Marx passes thus from the ‘material equality of commodities’ immediately to the ‘equality of labour’, because the latter is the ‘correlative concept (коррелят)’ of the former in the social process of production. The commodities of every kind, totally disparate as concrete use values, come to be treated as (and become) equals in the market exchange (by the fact itself of being exchanged), and precisely correlatively to this the labours which have produced these commodities become also ‘of the same kind and of equal quality corresponding to all the commodities as exchange values being of the same kind and of equal quality’ (там же) (i.e. abstract labour). In this way, the abstract labour constitutes itself, not in the thinking by extracting from the concrete forms of labour something common (‘expense of physiological energy’ from human corporal organs), but in the social process consisting in the all round exchange (equalization) of the products of labour.

But, such an all round equalization of labour via the all round equalization of commodities is possible only by the intermediary role of money, itself a member of the world of commodities. In the first half of chapter 1 of Capital money is tacitly de fact reduced to a commodity and at the same time every commodity is treated as money, so that every thing appeared to proceed as relations among commodities. Concerning the development from this first half to the second half of Capital, Rubin claims that these two be understood as one (i.e. the inseparability of Marx’s theory of value from his theory of money), saying as follows: ‘The
abstract character of labour appears here as a correlative concept of the all round equalization of commodities, which finds its exhaustive expression through the money. From the developed form of exchange Marx passes immediately (in the first two sections of chapter I of *Capital*) to a developed abstract labour, leaving aside for a time all of that long and complex social process, which transforms the private and unequal labour into a social and equal labour. To the consideration of this social process Marx passes only in the third section (‘the form of value or exchange value’), and in the fourth section (‘the fetishism of commodities and the secret thereof’) he attains in the last place to the most profound foundation of this process, to the social structure of commodity economy. Marx commences with the ready result of social process, to show us afterwards the development of the latter and discover its foundation. Approximately such is the constitution of the first chapter of *Critique*.31

All the commodities are in fact wholly equalized by money. And money is in itself one particular and individual commodity. The equalization of the commodities appears actually in an objective, sensible form as money. In this sense, the abstraction of labour is nothing other than the transformation of various products of concrete labours into money, allowing them to become actually equal to every other commodity (capable of changing at will their forms by exchange). And in fact the abstract labour, in its turn, could not truly constitute itself without such a process of becoming. Rubin says, in the above quotation, that Marx first presents immediately the result of such a becoming prior to its explanation, to get back afterwards to the process of this becoming. In quoting a passage where Marx tells about his method of exposition relying on the comments of I. Kaufmann at the end of the ‘Afterword’ to the second edition of *Capital*, Rubin is explaining the development from the first to the second half of chapter I of *Capital* with this method of Marx progressing from the ‘ready result of the social process’ to the ‘the development of this process’.32 In the above quotation, though he gives explanation about

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31 It seems that *Critique* should have been *Capital* (in the second and subsequent editions), judging from what is written in this quotation. If ‘*Critique*’ is not due to the erratum in the editorial process (the editor notes nothing here, probably because it is editor’s error or because she took no notice of the problem), it is possible that it is an erratum of Rubin, too much absorbed in the translation work of *Critique*, with which he was occupied when writing this manuscript. In the German edition too, this word is only literally translated.

32 Generally speaking, this method of exposition in the ‘System of critique of political economy’ seems to be a method Marx continued to adopt all along since *Grundrisse* where he set out for the first time to write down his ‘System’ (However, at the time of Rubin *Grundrisse* was not yet known. Only its ‘Introduction (Einleitung)’ including the well-known ‘3. Method of political economy’ was published in original German by Kautsky, separated from the body of text, and
the significance and the place the two sections of this second half have in the theory of Marx, unfortunately this explanation remains undeveloped. According to the explanation Rubin gives here, Marx is said to show ‘the development of this process’ in passing to the consideration of ‘that long and complex social process’ in the theory of the forms of value of section 3. According to Rubin’s interpretation of the general method indicated at the end of the above quotation, the theory of the forms of value might be taken as an explanation of the historical generation of money by means of a description of the process of historical development of commodity (exchange, value). In fact he says as follows: ‘As for the study of real process of the development of value phenomena, we find it only in the sections devoted to the ‘form of value’ and ‘commodity fetishism’. This process of development of value is at the same time a process of development of money.’ (там же, стр.512-3)

But, as far as concerns the relation between the first and second half of chapter 1 of Capital, the words ‘process’ and ‘development’ Rubin uses here repeatedly indicate not the on-going of historical time but the process of development of structural analysis of the commodity economy as a theory of generation of money. Just after the above quotation he gives on this point the following explanation: ‘It is true that the ‘money form’ appears only as the last, most developed of the ‘forms of value’ considered by Marx (simple, expanded, general and money). It can seem therefore that there exist forms of value preceding the money form, hence that the exchange value33 can exist on a stage of social development preceding the appearance of money. We consider erroneous such a supposition, relying on Marx’s terminology, who employed the name ‘forms of value’ regarding all the mentioned phases of exchange. The forms of value, preceding the general form, present themselves not only as embryonic form of money but also as embryonic form of value. A developed exchange value arises only with the ‘general form’, which coincides in its essence with the appearance of money.’ (там же, стр.513) This is Rubin’s fundamental position on the development of the theory of the forms of value, with which I agree (however he does not always consistently hold to it, corresponding at times the ‘simple form of value’ to a past historical epoch with undeveloped exchange. Cf. for example, translated into Russian by Pashukanis to be published in a collection of translated articles edited by Rubin.). One can confirm that the similar method is adopted in various places in Grundrisse, Critique and Capital (its three volumes), and Rubin’s methodological argument seems to apply generally. Incidentally, such an interpretation of Marx’s method was in a direction opposite to that which was to become mainstream in the Soviet Union after the 1930s, i.e. ‘logical=historical method’.

33On the terminological problems of the term ‘exchange value’, cf. note 26 above.
там же, стр.538-9. This may be in accord with ‘Marx’s terminology’ mentioned above, which is also not always coherent.). As the money form appears at the end of the theory of the forms of value\(^{34}\), the other preceding forms of value are prone to be taken as equally preceding the historical appearance of money, but given that the (exchange) value itself cannot exist without presupposing a developed all round commodity exchange, the forms of value are impossible to exist in a similar condition. In other words, the development of the forms of value does not ‘reflect’ a historical development of the commodity production and exchange, the former is to be considered as different from the latter. The above may be worthy of notice as an extremely rare expression of a point of view on the theory of the forms of value in Rubin (but also in the literature on the theory of value in Soviet Union in the 1920s in general).

The following quotation is from the last page of chapter I, which can be read virtually as the introduction of Essays on money. Here Rubin shows how he understands the whole of the theory of value and the theory of money of Capital (and Critique), in resuming his former arguments about the relation between these two theories (and at the same time between his two Essays). ‘In the first chapter ‘Commodities’, the part devoted to the forms of value contains essentially the theory of money, which Marx develops more in detail and systematically in the second chapter, entitled ‘Exchange process’. And here the general theory of money is given in close connection with the theory of value. The third chapter, entitled ‘Money’, occupies itself only with particular functions of money./ The theory of value and the theory of money characterize as a whole one and the same fundamental type of production functions among commodity producers, complementing each other with their labour activity in the process of production, but formally independent and entering in relations with each other only in the process of exchange. In so far as our attention is directed to the social unity of all the process of production and to the distribution of social labour, realized through exchange, we have the theory of value. In so far as out attention is directed to the process of exchange with its partial acts of purchase and sale as the necessary form of realization of the unity of the social process of production, we have the theory of money. Only both these theories as a whole give us a general picture of the commodity economy with all duality of its structure: unity of the social

\(^{34}\)In the above quotation the money form is said to be the fourth (last) form of value. As will be seen later in detail, this indicates that Rubin did not refer to the first edition of Capital (I mean not the ‘Appendix to Chapter I, 1. the value form’ written intentionally as a ‘popular exposition’, but the text of the chapter) in writing Essays on money. Being a Marx philologist, he must have certainly known the existence of the version of the theory of the forms of value in the first edition, to which he refers indeed in various places in Essays on Marx’s theory of value.
process of production and its placement dispersed among individual private economies.’ (там же, стр.514. slash indicates the change of paragraph.)

The ‘general theory of money’ is said to be developed twice, in the theory of the forms of value and in that on the process of exchange (in the latter is repeated ‘more in detail and systematically’ what has been shown in the former). The reason why Rubin views in this way the relation between these two theories, is that he relies only on the ‘Appendix’ to the first edition and the text of the second and subsequent editions of Capital without taking into consideration the task of the theory of the forms of value initially given in the text of the first edition and the logical structure of this edition (cf. note 34 above.). The problematic points contained in such an interpretation of Rubin about the theory of the forms of value (or about its place in the theory of the generation of money) will be discussed later in detail. In any case, this ‘general theory of money’ is treated in the first half of Essays on money (up to chapter [V.]), and in the following 3 chapters of the second half, Marx’s theory on some (not all) ‘particular functions of money’ is examined and given original interpretations. Such is the construction of Essays on money, the whole of which is put in a close relation with the already published Essays on Marx’s theory of value, and with both these Essays as a whole Rubin’s view on the commodity economy in Marx’s theory will be exhaustively shown. In other words, he concludes chapter I with the conception of ‘two Essays’ (but in the actually published Essays there is no mention of another Essays, and contrary to this ‘conclusion’ the former is given a rather completed form. Cf. note 14 above.). The subjects treated in chapter I examined up to now will be resumed no more in the following chapters, body of Essays on money.

2. The generation of money and the determination of the substance of value

In the last chapter [V.] of the first half of Essays on money, entitled ‘Money and abstract-social labour’, the relation between the first and second half of chapter 1 of Capital, which was one of the subject of chapter I, is further discussed in centering on the theory of the forms of value. Remarkable in this chapter is that the discussions are based on the examination of the ‘peculiarities of the equivalent form’ in the form I of value. But at the same time it seems that here lies a serious problem in Rubin's interpretation of Marx's theory of the generation of money. Hereafter I am going to follow the essentials of this chapter in keeping this point in mind.

At the beginning of this chapter Rubin fixes its theme as follows: 'In the former chapters we considered the process of formation of money and its necessity in the commodity economy,
in which people enter into production relations through all round equalization of the products of their labour as values. Now we are to consider how the equalization of commodities, taking place through money, leads to an equalization of labour and makes of money the expression of social and abstract labour.’ (Рубин, там же, стр. 544-5) To approach this theme, he takes up and examines successively the three 'peculiarities of the equivalent form'\(^{35}\), enumerated by Marx in '3. The equivalent form of value' of 'A. Elementary or accidental form of value' which comes first in the section 3 'The form of value or exchange value' of chapter 1 of Capital in the second and subsequent editions. The form of equivalent means the role attributed to the one commodity, which expresses passively with its use value (if consisting only of material goods, its body as commodity)\(^{36}\) the value of an other commodity, which works on the former in the relation of expression of value. In Marx’s theory of the forms of value, the form I (or A) develops successively into the form II (B), the form III (C), the form IV (D). But in every form of value no change occurs in the fundamental structure in which, of the the two commodities finding themselves in the two distinct forms of value in opposition to each other (relative form and equivalent form), the value of the former is expressed relatively and materially (sachlich) by the use value of the latter. What changes or develops is the form of the relation of opposition and the way of the expression of value (i.e. how the equivalent form works). After the form I, Marx seeks the development of each form of value as the form of its expression in the changes of this character of the form of equivalent, and finds its definitive accomplishment in the general equivalent form in the form III (C). In the debate on the theory of the forms of value waged remittently after the war till the mid-1980s in Japan, minute textual interpretations about such a fundamental structure of the forms of value and its development were repeatedly contested.

But, Rubin's treatment of the theory of the forms of value in Essays on money written in the Soviet Union in the 1920s is naturally very different from that in the researches in Japan after the war. Starting from the suggestion of Marx to the effect that the peculiarities relating to the equivalent form of the form I is equally a peculiarity of gold as the money commodity

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35 1. ‘use value becomes the form of manifestation, the phenomenal form of its opposite, value.’,
2. ‘concrete labour becomes the form under which its opposite, abstract human labour, manifests itself.’, 3. ‘the labour of private individuals takes the form of its opposite, labour directly social in its form.’ (Marx, Das Kapital. Kritik der politischen Ökonomie. Erster Band, Hamburg 1872. Neue MEGA, II/6, Dietz Verlag, (Ost-)Berlin, 1987, SS. 88, 90, 91.)
36 On the problems concerning the treatment of use value in Marx, cf. note 25 above.
assuming the function of the general equivalent, he treats these peculiarities immediately as the peculiarities of the general equivalent form i.e. of the money form. In chapter [V.] of Essays on money, the form I is thus regarded as comparable to the form III, or the form III is reduced to the form I, so that the relation of development between these two forms as expressions of value seems to be overlooked, at least in this context. It is however not impossible to say that the form I and the form III have in common certain aspects as forms of expression of value, in so far as both of them works by means of one single commodity as equivalent. So far as this, Rubin's approach may not necessarily be unreasonable.

The three 'peculiarities of the equivalent form', of which only the titles were quoted above in note 35 correspond to Marx's view on the social character of the labour in the commodity economy.

By the equalization of the commodities as products of labour with their individual concrete use values, the concrete character of the labour which have produced them is put aside (abstracted), and as such an abstract labour the individual private labours become social labour. Marx disposes the three 'peculiarities of equivalent form' in accordance with such a logical articulation (the above three changes do not take place in a time sequence, but they are only an analytical exposition of the logical order of one single matter). After having examined them one by one, Rubin says in the end as follows: 'Now we can summarize the doctrine of Marx on the 'peculiarities of equivalent form'. Though Marx illustrates his thoughts on various forms of equivalent, beginning with the embryonic 'accidental' equivalent and ending with the developed 'general equivalent', nevertheless his thoughts concern in full nothing other than the general equivalent, or money [here is inserted the author's note 31, in which he writes 'Cf. the supplement on this'. To this the editor adds a note: 'the supplement does not exist in the manuscript'.] The general equivalent, or money, diverges from among the commodities in the course of gradual, slow evolution. The appearance of money gave the process of exchange a completely new character. The exchange presents itself not only as a movement of material

37 In the section 4 ‘The fetishism of commodities and the secret thereof’, Marx brings into relief the peculiarities of the commodity economy by contrasting various historical forms of social character of labour. Just as Rubin points out, here Marx ‘attains to the most profound foundation of this process, to the social structure of commodity economy.’ (там же, стр.511-2)

38 In the original this note is added to the word ‘money’. From the context it is inferable that Rubin intended here to give some explanation about why he equalized the general equivalent to money. In fact, in the theory of the forms of value in the second edition of Capital on which Rubin relies, the general equivalent form is ‘form C’ and the money form is ‘form D’, these two are not immediately identical.
things from some commodity producers to the other, ‘social exchange of things’, but also as a change of social ‘form’ of things and commodity producers.’ (там же, стр.550)

In these sentences Rubin concentrates on the peculiarities of the general equivalent, in which those of the equivalent form of the form I end as the final result of the development of the forms of value. This is immediately equalized to money, the working of which changes the ‘form’ of things and of persons. I. e., through the exchange against money, the wealth incorporated in an individual concrete use value becomes abstract wealth (= value), and thus the labour which produced this use value changes from concrete to abstract labour, and in this way from private to social labour. This means that the determination of the abstract labour brought forward in the first half of chapter 1 of Capital is reviewed through the theory of the forms of value, and that this determination, remaining abstract at first, is now made more concrete. This is all that is explicitly said in Essays on money about the theory of the forms of value.

In a passage coming few pages later than the above quotation, Rubin says anew about the ‘peculiarities of the equivalent form’ conclusively as follows: ‘What appears as the result of the process of exchange is the equality of commodity producers, the equalization of commodities and that of labour. It is this threefold equalization, arising in the real process of market exchange, that Marx expressed in his doctrine about the three peculiarities of the equivalent form.’ (там же, стр.553) The three peculiarities of the equivalent form are given in the theory of the forms of value in the second edition of Capital (cf. note 35 above). The passages in which these peculiarities are given are a partly abridged reproduction of the contents of ‘c) peculiarities of the equivalent form’ of ‘§ . 3. equivalent form’ of ‘I. simple form of value’ of the Appendix to the first edition ‘value form’39. But in this original text are given not the three but the four peculiarities of the equivalent form, the fourth bearing the following title: ‘δ) fourth pecuriality of the equivalent form: the fetishism of commodity is more remarkable in the equivalent form than in the relative form of value’. (Ebenda, S.637) In the second edition, the text of this part is not taken up in the passages on the peculiarities of the equivalent form as the last item, but the essential of this fourth peculiarity is integrated into the fourth section of chapter 1 ‘The fetishism of commodities and the secret thereof’. Not only in the quotation above but also throughout the whole of chapter [V.] of Essays on money, the peculiarities of the equivalent form is three in number according to Rubin’s account, this is because he refers to the second

edition of *Capital* and ignores the text of the chapter 1 of the first edition.

In *Essays* on money there is no mention of the first edition of *Capital*, not to mention a quotation from this edition. But, since Rubin made mention of this edition in explaining the changes of construction in chapter 1 of *Capital* at the beginning of the first edition of *Essays on Marx’s theory of value* published in 1923, he must have well known the existence of the first edition of *Capital* and its differences from the subsequent editions. Nevertheless, in *Essays* on money he seems to have referred only to the second edition, without taking any account of the first edition (or without being aware of its existence in writing the manuscript of *Essays* on money). This applies not only chapter [V.] but also the whole of *Essays* on money). If he had adopted as the object of examination the text of the second edition for some reason, knowing its differences from the first edition with respect to the ‘peculiarities’ in question, Rubin, a rigorous philologist, should have said at least a word about this difference and about the reason why he adopted only one of them.

In the first edition of *Capital*, the chapter 1 entitled ‘Commodity and money’ is divided into three parts (1. The commodity, 2. The process of exchange of commodities, 3. The money and the commodity circulation), reproducing in an abridged form the contents of the two chapters of *Critique* (‘The commodity’ and ‘Money or simple circulation’, the latter is particularly abridged in chapter 3 of *Capital*\(^{40}\) in the second and subsequent editions). And, exceptionally for the text of the theory of the forms of value contained in ‘1. The commodity’ of chapter 1, not easily accessible to general readers, an ‘Appendix to Chapter I, 1. the value form’ written intentionally ‘in the style of a school teacher’ (Marx) is added at the end of the volume. But, in the second edition published five year after the first edition, the above ‘1. The commodity’, consisting of a monolithic text without any subtitles, was subdivided into four sections each with a title to become an independent chapter 1 ‘The commodity’. The text of the chapter was greatly revised. In particular in the section 3 ‘The form of value or exchange value’, the text of the first edition was replaced by the above ‘Appendix’, which was adopted virtually without no change other than the important modifications mentioned above and some other minor revisions. And the part two and part three of the chapter 1 of the first edition became ‘chapter 2. Exchange’ and ‘chapter 3. Money or commodity circulation’. The ‘grading up’ of these parts to chapters, unlike the first part, was made by reproducing the text of the first edition

\(^{40}\)At the beginning of the introduction to the first edition Marx writes that ‘the substance of that earlier work is summarised in the first three chapters of this volume’. (Marx, *Ebenda*., S.11.)
without any virtual change. In this way, as for the theory of commodity (value), from the first to
the second edition considerable amendments were made both in form and content, while the
theory of money remained virtually the same. The wide difference in Rubin’s treatment of the
first edition of Capital between Essays on value and Essays on money may be in relation to
such a circumstance of the textual amendments, i.e. concerning the theory of money the
difference between the first edition and the subsequent editions may have been regarded not so
important as to be taken into consideration. Especially in chapters [VI.], [VII.] and [VIII.]
devoted to the discussion on the ‘individual functions of money’, in addition to chapter 3 of the
second edition of Capital, references are frequently made not to the first edition but to the
largely differing chapter 2 of Critique.

But the non-consideration of the first edition in Essays on money (probably a consciously
adopted procedure) was to involve an unexpected trap. As Rubin himself emphasizes from the
outset, the division between ‘the theory of value’ and ‘the theory of money’ is only a wholly
provisional and expedient one, these two are inseparable and naturally one cannot be discussed
independently from the other. Several important differences of the first part of chapter 1 in the
first and second (and subsequent) editions concern also the interpretation of the theory of money.
The first serious result of the neglect of these differences is the overlooking of the fourth
peculiarity of the equivalent form, by which an important point in Marx’s conception of the
theory of commodity (constitution of the chapter on commodities) was lost to view.

The commodity assuming the equivalent form gives the commodity as value a perceptible
and tangible form with its material existence as a certain use value. In the commodity economy
where the social division of labour is carried out by private producers, their relations in the
production activities (labour) can be possible and expressed only in the exchange relations of
their products (commodities, things), i.e. through a material relation. The equivalent form in the
relation of expression of value plays precisely such a role, the theoretical comprehension of the
fetishism (reification) must begin with such a characterization of the equivalent form. The
equivalent form becomes finally the general equivalent form with the development of the forms
of value, and the commodity assuming this form expresses the social relation (value) of all the
other commodities with its material existence, and it expresses generally the relative magnitudes
of the commodity values in the unit of its material quantity. Thus the theoretical foundation of
Marx’s theory of fetishism (reification) is to be found in the theory of the forms of value. The
fourth peculiarity of the equivalent form summarizes the foregoing three peculiarities and at the
same time links the theory of the forms of value to the theory of fetishism. Such a character of
this peculiarity makes it natural that, while arising from the theory of the forms of value, it is transferred to the section 4 in the second edition of *Capital*. Rubin was right in giving special attention to the peculiarities of the equivalent form in the theory of the forms of value in chapter [V.] of *Essays* on money, and in examining them in detail he showed that the theory of the forms of value is a theory accounting for the provenance of the abstract labour and hence complements its determination given in the first half of chapter 1 of *Capital*. But in this chapter [V.] he overlooks the fact that the theory of fetishism as the basis of his interpretation of the theory of value is the issue of the theory of the forms of value, i.e. the close connection between these two theories. One of the causes thereof may be in the neglect of the first edition of *Capital* and of its differences from the second edition.

The second result of the neglect of these differences no less important than the first is that Rubin immediately equalizes the general equivalent form to money (he may have felt this problematic, which is seen from an unfilled note he added to the passage where he equalizes them. Cf. note 38 above.). In my view, the general equivalent form is the final conclusion of the theory of the forms of value. In the introductory part of the theory of the forms of value in the second edition of *Capital*, Marx says as follows: ‘Every one knows, if he knows nothing else, that commodities have a value form common to them all, and presenting a marked contrast with the varied bodily forms of their use values. I mean their money form. Here, however, a task is set us, the performance of which has never yet even been attempted by bourgeois economy, the task of tracing the genesis of this money form, of developing the expression of value implied in the value relation of commodities, from its simplest, almost imperceptible outline, to the dazzling money-form. By doing this we shall, at the same time, solve the riddle presented by money.” Marx mentions (uses the word) ‘money’ for the first time in this sentence appearing at the beginning of the section 3. And he declares here the explanation of the genesis of money to be the task of the theory of the forms of value. But the text of this theory coming after the above quotation is its third variant following that of the main text of the first edition and that of its ‘Appendix’. In the two first variants, the task of the theory of the forms of value was not said to consist in showing the genesis of money. In the main text of the first edition, just before beginning the theory of the forms of value Marx writes as follows: ‘We have considered the

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relative value only from its quantitative side. We turn now to its form. And at the end of the theory of the forms of value Marx characterizes what he has done there as follows: ‘The decisively important was however to discover the inner necessary connection between the form of value, the substance of value and the quantity of value, i.e., ideally expressed, to demonstrate that the form of value arises from the concept of value.’ (Ebenda, S.43. Emphasis is in original.)

Further, at the beginning of the ‘Appendix to Chapter I, 1. the value form’ of the first edition he writes as follows: ‘Now, how the value of a commodity is expressed? How does it obtain its proper form of appearance? Through a relation of various commodities. In order to analyze correctly the form contained in such a relation, we must start from its most simple, most undeveloped figure.’ (Ebenda, S.626. Emphasis is in original.)

In the theory of the forms of value in the main text of the first edition, though a name and a number is given to each of the first three forms, a form without name indicated only as ‘form IV’ (not money form) comes in the last, fourth place, after the explanation of which is added the above penultimate quotation. In this way, the theory of the forms of value in its first version does neither nominally nor really make up an explanation of the genesis of money, which is accounted for in the succeeding ‘2. The process of exchange of commodities’, in making use of the theoretical result of the theory of the forms of value (the concept of the general equivalent). Such is the theory of the genesis of money as Marx originally conceived. According to his conception, the concept of the general equivalent advanced at the end of the theory of the forms of value is not sufficient to accomplish the explanation of the genesis of money, which requires an other logic different from this theory. But, the last form of value in ‘Appendix to Chapter I, 1. the value form’ of the first edition is ‘IV. The money form’, i.e. with a name different from that of the last form in the main text of the first edition, which was equally numbered ‘IV’. The content of this second ‘form IV’ is altered in correspondence with its newly given name. I.e. in the ‘Appendix’ to the first edition, the theory of the forms of value has become virtually a theory of the genesis of money though not being nominally called such. The theory of the forms of value in the second edition is an approximate reproduction of the text of ‘Appendix’, so that it is also a theory of the genesis of money just as ‘Appendix’ is, with the last form ‘D. money form’ (though differently numbered). In the introductory part of the theory of the forms of value

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(section 3 of chapter 1 in the second edition), the aim is declared to consist in ‘tracing the
genesis of this money form’ (cf. the above quotation). The theory of the forms of value has
become, in the second edition, a theory of the genesis of money both nominally and really (or
rather, the explanation in the introductory part has been modified so as to be in line with the
change of the contents in the theory of the forms of value of ‘Appendix’ which has become
really a theory of the genesis of money.).

What is then the difference between ‘form IV’ without name in the main text of the first
edition and ‘form IV (D)’ in the subsequent variants? And why Marx modified the last part of
the theory of the forms of value from the former to the latter? Hereafter I will briefly outline my
interpretation on these problems.

The ‘form IV’ put after ‘form III’ in the main text of the first edition shows the
impossibility of the general equivalent in the framework of the theory of the forms of value
where the commodities are treated only as use value or as value but not as their unity. In the
general equivalent form advanced in the preceding ‘form III’, all the commodities make of the
use value of one particular commodity an incarnation of value. The ‘form III’ is the form in
which they express their values by means of this one particular commodity, which thus becomes
the general equivalent and appears exclusively as value in regard to all the other commodities.
Only one sort of commodity in the world of commodities can play such a role. Otherwise it
would not be the general equivalent. I.e. a commodity occupies the place of the general
equivalent to the exclusion of all the other. But, in the theoretical framework of the theory of the
forms of value where the commodity put in the form of equivalent appears exclusively as value
and its use value is not taken into account (a point coherently maintained since the ‘form I’), the
answer to the question of what commodity in the world of commodities can occupy this
exclusive place cannot but be ‘any commodity’. Since from the outset of the chapter
‘Commodities’ Marx has attributed equally to every commodity the nature of value which is not
to be monopolized by a particular sort of commodity. In this way the exclusive place of the
general equivalent only one commodity can occupy can be occupied by any commodity. All the
commodities, excluding all the other commodities from this place, cannot become the general
equivalent, which cannot hence constitute itself as such. In other words, the ‘form IV’ in the
main text of the first edition is set up to show that an exclusive and definitive conflation of the
general equivalent with one particular commodity (= the genesis of money) cannot be attained
only with the logic of the forms of value.

The situation of the impasse of commodity exchange depicted at the beginning of ‘2. The
process of exchange of commodities’ of chapter 1 in the first edition, is in fact nothing other than this ‘form IV’ recaptured in a new theoretical framework. Here commodity possessors with their selective desires for the use values of individual commodities want to treat their various commodities solely as values, i.e. they want to consider as money the commodities they bring to the market. It is only here that the fusion of the form of the general equivalent with a particular sort of commodity (use value) can be arrived at as a common enterprise of the world of commodities, and money comes into existence. In this way Marx would originally show the genesis of money through both the theory of the forms of value and the theory of the process of exchange.

Then one would wonder why the fourth form of value put at the end of the theory of the forms of value in ‘Appendix’ to the first edition and in the second and subsequent editions which adopted the text of this ‘Appendix’ became ‘money form’ instead of ‘form IV’ in the main text of the first edition? In the second edition the transition to the money form is explained as follows: ‘The particular commodity, with whose bodily form the equivalent form is thus socially identified, now becomes the money commodity, or serves as money. It becomes the special social function of that commodity, and consequently its social monopoly, to play within the world of commodities the part of the universal equivalent. Amongst the commodities which, in form II, figure as particular equivalents of the linen, and, in form III, express in common their relative values in linen, this foremost place has been attained by one in particular – namely, gold. If, then, in form III we replace the linen by gold, we get [...]’43. In every variant of the theory of the forms of value, the transition of the form of value leading to the third general form of value was explained by indicating the drawbacks of the preceding form as expression of value and the surmounting of these drawbacks in the following form. But it is evident from the above quotation that the account of the transition to the money form consists in nothing more than simply saying that a particular commodity fixed historically on the form of the general equivalent. Here is not only no development of the form of value (which ended with the third form) but also no explanation why the situation illustrated by the ‘form IV’ in the main text of the first edition (the possibility of which is recognized in the following sentence in the paragraph just before the above quotation: ‘The universal equivalent form is a form of value in general. It can, therefore, be assumed by any commodity.’) is gotten over. Only the concluding

part of the subsequent theory of the process of exchange is anticipated without any logical explanation of it.

Thus, in *Capital* in the second and subsequent editions, the theory of the genesis of money came to be repeated twice not by two different logics but by a double usage of the same logic. Though the money form has already been brought forward at the end of the theory of the forms of value, in chapter 2 on the process of exchange the situation where every commodity claims the place of the general equivalent is once more put at the beginning of logical development just in ‘form IV’ (however this situation is here described as the behaviour of every commodity producer=possessor trying to validate his commodity immediately as money).

How to locate and evaluate the theory of the process of exchange which appears to repeat once again the theory of the genesis of money considered to have been already settled in the theory of the forms of value? (Uno) Or, how to understand in their mutual relation the twofold (or even threefold, if the arguments on money in the theory of fetishism are to be taken into account) theories of the genesis of money in Marx? (Kuruma) In the history of *Capital* studies in Japan, lively discussions on these questions were made for some time after the war. But, judging from the philological history seen above in detail, it appears to me that Marx intended to explain the genesis of money substantially with one logic throughout the whole of the theory of the forms of value and the theory of the process of exchange. This, in spite of the fact that, in the second edition, the money form put at the end of the theory of the forms of value gave rise to certain confusions in the logic before chapter 3 ‘Money, or the circulation of commodities’, which caused unnecessary and useless debates.

Why then did Marx concluded his theory of the forms of value not with ‘form IV’ but with ‘money form’ at the cost of the coherence in the logical construction? As has been seen above, the ‘form IV’ has a justifiable content as the introduction or linkage to the theory of the process of exchange. But, it is not the theory of the process of exchange but arguments about the fetishism of commodities that comes directly after the end of the theory of the forms of value in the main text of the first edition. In addition, while the theory of the process of exchange, as the second part of chapter 1 ‘Commodity and money’ of the first edition of *Capital*, is separated from the first part ‘The commodity’ including the theory of the forms of value, the arguments about the fetishism of commodities occupying about the same space as the theory of the process of exchange (corresponding to the section 4 ‘The fetishism of commodities and the secret thereof’ in the second edition) follow directly the ‘form IV’ without interruption. As was seen above, the theory of fetishism of Marx is in a close relation with his theory of the forms of value.
and is an extension, a development of the arguments contained there about the peculiarities of the equivalent form. Though these peculiarities are said about the equivalent form of form I in Marx’s text, Rubin treated them immediately as those of money when taking them up one by one and examining their significance in chapter [V.] of Essays on money. This is because of the following particular character of the commodity fetishism: the theory of fetishism is a logic accounting for the fact that in the commodity economy the relation of producers in their labour appear necessarily as relations between things, but the things incarnating thus the social relations are not the commodities in general, but in reality they cannot but be money as the general equivalent form fixed on the use value of a particular kind of commodity. It is certain that Rubin’s treatment of the particularities of the equivalent form is somewhat problematic as a textual interpretation of Capital, but it is not groundless considering their character. The theory of the forms of value is directly followed by the theory of fetishism and the latter cannot but be a theory of fetishism of money. Then, passing directly to the theory of fetishism from the logical impasse of the theory of the forms of value in ‘form IV’, one may have the impression of a logical gap which seems to intervene there. Probably in considering such a circumstance, Marx seems to have put the money form at the end of the theory of the forms of value (in committing here also an other logical gap, i.e. in making use of only the concluding part of the subsequent theory of the process of exchange). Actually, in the second edition where the theory of the forms of value came to be concluded with the money form, the text of the directly following theory of fetishism was amended in its various places so as to correspond more to its essential as the ‘theory of fetishism of money’.

As has been just seen above, the modifications from the first to the second edition of Capital concerning the constitution of the theory of the genesis of money before the theory of the process of exchange were in complex and difficult relations with the theory of the forms of value, that of fetishism and that of the process of exchange. Since he considered them relying only on the second edition as Rubin did in Essays on money, these reciprocal relations and their locations become hardly discernible. It is because of this that Rubin did not pay attention to the fact that the theory of the forms of value serves to the theory of fetishism as its basis, while showing that the former is the complement and review of the foregoing determination of the substance of value. And, in identifying the theory of the forms of value and the theory of the genesis of money, he considered the theory of the process of exchange only as a summary repetition of the theory of the forms of value with a more detailed historical description, and so failed to seize sufficiently its significance in Marx’s theory of the genesis of money.
3. Money as measure of value

After having seen up to now the main points in the five chapters of the first half of *Essays on Marx’s theory of money*, in this and the next sections I will try to introduce and examine some of the topics worth consideration from among Rubin’s original interpretations of Marx about the ‘individual functions of money’ contained in its second half (from chapter [VI.] to chapter [VIII.]). The subject of chapter [VI.] entitled ‘The measure of value’ is naturally that of the corresponding parts in *Critique* and *Capital* bearing the same title. But, here he does not simply introduce the doctrine of Marx, but presents his own original interpretations and on their basis critically examines various interpretations on Marx’s theory of the measure of value known at that time. In this chapter Rubin attempts controversies with a number of contemporary authors (Marxist or non-Marxist) to begin with Kautsky, Hilferding, from which is to be seen that he intended this work to be also a work of controversial character\(^4\). But here I will not enter into these controversial discussions, to concentrate on his main contentions.

As was noticed above, only in this chapter [VI.] there is a subtitle ‘What is the measure of value’ put halfway in the chapter. There is no knowing up to where in the following part Rubin thought this subtitle to cover, if he foresaw still other subtitles and subjects for this chapter. But judging from what is really left written, this chapter seems to be divided into two parts, one preceding the subtitle (corresponding to about the first one fourth of the chapter) and one covering the space from the subtitle to the end, and he discusses in each of them two distinct subjects concerning Marx’s theory of the measure of value. Hereafter I will consider these discussions in turn.

i) measure of value and means of circulation, relation between them

Before beginning to examine the ‘individual functions of money’ in Marx’s theory, Rubin speaks about his own interpretation on the position of the measure of value as a function of money in the theory of money (particularly its position in relation to another function as means

\(^{44}\)But the literature under examination is principally by German speaking authors. In contrast, only a few mentions are made, intentionally or unintentionally, about the discussions in Soviet Union after the revolution particularly during the 1920s. Many of the contemporary Marxist theorists in Soviet were at the same time political leaders (belonging to various positions). A considerable part of *Essays* on money was drafted during the time when the author was in prison or in exile and all of his writings were censored. In such a situation the author may have avoided mentioning the contemporary domestic debates.
of circulation), in the first part of this chapter [VI.], the first in the second half of *Essays* on money. This being a problem discussed at one time in Japan, there may be some meaning in introducing here the interpretation Rubin brought forward in the 1920s. Summing up the debate about the relation between these two functions of money, he says as follows:

‘Measure of value and means of circulation. In the economic science, up to the present time is continuing a debate about which is the basic, primary function of money, its function as measure of value or as means of circulation. [...] In this way, logically one function appears as if being a premise of the other, consequently by a logical analysis the raised problem cannot be solved./

Also this problem does not attain a solution by means of historical research. On one hand, there is no doubt that, far before the time/ when all the commodities began to be priced in gold, gold served as the intermediary in exchange transactions or as means of circulation. But, on the other, we know cases of the usage of gold in the role of measure of value in remote antiquity, while then gold did not actually figure in the act of exchange.’ *(Рубин, там же, стр. 555-6. Slash indicates the change of paragraph and page.)*

Rubin’s position is therefore that the debate on the precedence between these two functions of money cannot be decided. The main target he is aiming at in announcing such a judgement is the doctrine of Hilferding in *Finance Capital* who argues for the logical precedence of the measure of value over the means of circulation. One of the causes bringing about confusions in the interpretation on Marx’s theory of money can be attributed also to himself (which applies equally to the debate about the same problem in Japan). ‘In Marx too, we do not find a direct answer to this question. A superficial reading of Marx may even give impression as if he brought forth in various passages views contradictory to each other.’ *(там же, стр. 557)*

The following quotation is the conclusion of Rubin on this problem45.

‘In this way, the development of these two basic functions of money takes place in parallel, in one and the same social process. During a long time when gold does not yet assume constantly these functions, it carries them out in a series of individual acts of exchange. With the gradual enrooting of gold in the circulation, products of labour begin to be priced in gold more

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45 Before beginning discussions (probably left unachieved) on the theory of the measure of value, he tells of his idea about the logical position of this subject itself, to reflect over and justify the constitution of the second half of *Essays* on money (proceeding from the measure of value through the means of circulation to the money as treasure).
and more often, and on the contrary, the gradual diffusion of pricing in gold consolidates the position of gold as means of circulation. Both of these sides of the process of genesis and development of money are intimately connected with each other and support each other. The final result of this long process is a ‘fixation’ or ‘crystallization’ in gold of both of these basic functions of money, because, long before this moment, gold had already played repeatedly, though sporadically and with interruptions, the role of the commodity, against which the other commodities ‘are exchanged’ (i.e. means of circulation), as well as the role of the commodity, to which they ‘equalize themselves’ (i.e. measure of value). It is in this preparatory social process that the roots of both of these basic functions of money must be sought, and one must not deduce one function from the other. Just because of this, in analyzing both of these functions Marx makes efforts above all to show, how each of these, appearing at first as a property innate in gold, is in fact nothing other than the reflect of the whole social process of commodity exchange.’ (там же, стр. 559)

These sentences of Rubin seem to be written above all in relying on Marx’s text in the concluding part of the second half of the theory of the process of exchange in Capital⁴⁶, along with on the literature of historical research available at that time. In that part Marx, after having developed the logic deducing money from the ‘contradictions of the process of exchange’, anew sums up retrospectively the logical development from the theory of the forms of value to this stage, from the standpoint of the ‘historical development of the general equivalent’ (which is at the same time the development of fetishism (reification) in the commodity production, taking ultimately the form of the fetishism of money). Rubin was clear-sighted enough to pay attention to these passages in Capital, in drawing the conclusive interpretation on the problem debated at that time about the relation between the two functions of money.

As Marx says there, as a historical fact, the form with which the commodities really acquire the expression of their value was from the outset the form of general equivalent. The question consists solely in the degree of its development and stability. I.e. the general equivalent can be truly ‘general’ only when the commodity production becomes general, the sphere of reproduction and commerce infinitely (in a world wide scale, just globally) enlarges and the infinitely diverse kinds of commodities circulate there. In the undeveloped commodity exchange prior to such a stage, the general character of this ‘general’ equivalent is more or less

restricted. In the theory of the forms of value, the general equivalent appears as the last stage of the development of the forms of value. For this reason, it was perceived as an expression of value necessarily in most developed form, with the result that its reverse side had to drop out from attention, i.e. was overlooked the fact that the expression of value in this form developed itself historically. But, except for the entirely accidental exchange, the exchange of surplus products which became commodities only in exchange, however poor it may have been in its extension and diversity, the form of expression of value number of commodities must have had in order to be exchanged as commodities could not but be the form of general equivalent, again however poor it may have been proportionately to the poor character of the exchange (in other words, here it becomes evident again that the ‘development of the forms of value’ proceeding from the simple form through total or expanded form to the general form (and to ?) in the theory of the forms of value is the process through which the form of value finds out a complete convergence (correspondence) with the concept of value and it has nothing to do with the historical development of the commodity exchange.) Thus money had to exist for a very long time since the commodity exchange developed to a certain degree (both as measure of value and as means of circulation), and with the development of the commodity exchange it historically developed assuming these two functions. Hence money did not come into existence, as if it were deus ex machina, (as measure of value at one time, as means of circulation at another) abruptly in order to save the process of direct commodity exchange got into difficulties only after having fully developed.

As was seen at the end of the last section, Marx’s theory of the genesis of money is made up of one logic throughout the whole of the theory of the forms of value and the theory of the process of circulation. The latter two theories constitute each of them indispensable and mutually dependent domains in this one logic, and at the same time they clarify as a whole the structure of the fetishism (reification) in the commodity economy. And the commodity money the genesis of which is shown by one logic is not ‘one-sided’ money equipped with one particular function and devoid of another, but money potentially endowed with the functions to be analyzed individually in the subsequent theory of money. The last sentence in the above long quotation from Rubin clearly shows this and is in mutual agreement with the following sentence of Marx put at the end of the theory of the process of exchange (at the same time linking up with the ‘individual functions of money’, as Rubin calls them). ‘Commodities find their own value already completely represented, without any initiative on their part, in another commodity existing in company with them. These objects, gold and silver, just as they come out of the
bowels of the earth, are forthwith the direct incarnation of all human labour. Hence the magic of money. In the form of society now under consideration, the behaviour of men in the social process of production is purely atomic. Hence their relations to each other in production assume a material character independent of their control and conscious individual action. These facts manifest themselves at first by products as a general rule taking the form of commodities. Hence the riddle presented by money is but the riddle presented by commodities; only it now strikes us in its most glaring form.’ (Marx, Ebenda, S. 121. Same text as in the first edition.)

ii) ‘what is the measure of value?’

Here I will take up the original view of Rubin about the function of the measure of value he develops in the part following the above subtitle in chapter [VI.] of Essays on money.

As has already been said in the first section of the present article, Rubin is coherent in supposing a society composed (solely) of independent small-scale producers throughout the whole of Essays on money. And the money appearing in this Essays is made of precious metal (gold) as a sort of the commodities produced by them. They can obtain money either by producing this money by themselves as commodity, or otherwise by selling a general commodity other than money produced by them, and all the other ways of procuring money (interest, ground rent, wages etc. existing in the real capitalist economy) are excluded. But in Essays on money the gold mining industry is not taken into account. Therefore the only possible way of obtaining money for the agents is by selling commodities, which supposes the production of commodities by the labour of their own. Thus the functions of money constituting the subjects of the second half of Essays on money are those assumed by the money the independent commodity producers hold in hand. The whole of the arguments of Rubin is made in such a framework, to be confirmed here again.

The problem of the measure (measuring) of value of the commodities by money or precious metal (gold or silver) as money commodity had been repeatedly discussed before Marx since the time of classical political economists like Smith, Ricardo etc. Ricardo, in particular, raised the problem of the measure of value in the form of a ‘search for an invariable measure of value’ in adding a new section ‘On an invariable measure of value’ to chapter 1 of the third edition of his masterpiece Principles of political economy and taxation (1821), and did not cease his search for such a measure till the time of drafting his posthumously published last manuscripts ‘[Absolute value and exchangeable value]’ (1823). He continued to seek for a measure of value allowing to seize surely and directly the quantity of labour (determinant of
value) spent on the production of commodities, but in such a continuous effort of Ricardo lied a serious problem making ambiguous the very meaning of the ‘search of the measure of value’. Beginning to discuss ‘what is the measure of value’, probably not with such problematics of the measure of value of Ricardo (or of the classical political economy) in mind, Rubin brings forth first the necessity of sweeping away the misunderstanding about what means the measuring of value in Marx’s theory of money as follows:

‘Subjectively the possessors of commodities do not occupy themselves with confirming the quantity of abstract labour in commodities. The commodities are equalized to gold not because gold is a ‘pure incarnation of abstract labour’, but on the contrary, gold is an incarnation of abstract labour because all the commodities are equalized to it. [...] As well as in the theory of value, also in the theory of money we must remove from the understanding of the ‘measure of value’ the subjective-individualistic elements and represent the whole process from its objective side.’ (Рубин, там же, стр. 562-3)

Rubin opposes his view on money based on the theory of reification to such a misunderstanding about the function of the measure of value probably diffused in the Marxist literature of his time (influenced more or less by the classical view on the measure of value regarding it possible to seize empirically and sensibly the quantity of labour as the substance of value). It is not that the agents of exchange, knowing in advance that the gold functioning as the measure of value is produced by a certain quantity of labour, equalize their commodities with this gold to measure their value, to confirm the labour time to which they correspond. With gold as money functioning as the measure of value, they know the relative quantitative relations among the values of each commodity, in equalizing their commodities to such and such quantities of a particular material commodity which is gold (through such reified relations, at the back of the agents of exchange, their labours are equalized without their becoming aware thereof). And the gold, while functioning as the measure of value, always remains a material thing with quantities measured by a certain physical unit. In such a form value manifests itself sensibly (as a certain quantity of money commodity).

Now, a commodity coming out of the process of production enters the process of circulation with a price set by its producer = possessor. With the function of the measure of value of money, this price is indicated as a certain quantity of money commodity. The possessor of the commodity will try to give his commodity a price as high as possible to get a quantity as large as possible of other commodities in exchange for his. However, he cannot set a price just as he wishes. In reality, every commodity must be given a certain price of its own. It is the
expectancy of its sale that limits the price of a commodity to a certain level. This expectancy depends on the sales of the same commodity at a certain price previously realized and known as given and on the behaviour of other producers, sellers of the same kind of commodity (how much and at what price they are selling). In the repetition of such a process a certain price comes to be given to a certain commodity. According to Rubin, the function of the measure of value of money is not limited to simply setting each time a price on the commodity coming into circulation, but it also regulates the price given to the commodity to a certain level through repeated processes of production and circulation. In this way the measure of value functions also as the promoter moving the commodity producers among the branches of production in chase of more favourable conditions of production (allocation and reallocation of the whole social labour).

‘Equipoise among individual branches of production can be established in the conditions of simple commodity economy only in the condition of exchange of their products in proportion to the labour, socially necessary for their production. To the state of equipoise between two given branches of production correspond a certain, normal proportion of exchange between their products, corresponding to labour values of the latter. The deviations of the actual proportions of market exchange of these products above and below the normal proportion induce a reallocation of labour between the two branches of production, efflux of labour from the one to the other.’ (там же, стр. 563)

The above is an aspect of the measure of value particular to Rubin’s interpretation, which may have something in common with the theory of the measure of value Kozo Uno proposed once47, but in the case of Rubin this interpretation is differently motivated in the context

47To authenticate his interpretation, Uno quotes the following passage from Marx (which appears in the section ‘The measure of value’ in the first edition of Capital and is maintained unaltered in the second and subsequent editions, but the section ‘The measure of value’ in Critique does not include a corresponding passage.). ‘Magnitude of value expresses a relation of social production, it expresses the connexion that necessarily exists between a certain article and the portion of the total labour-time of society required to produce it. As soon as magnitude of value is converted into price, the above necessary relation takes the shape of a more or less accidental exchange-ratio between a single commodity and another, the money-commodity. But this exchange-ratio may express either the real magnitude of that commodity’s value, or the quantity of gold deviating from that value, for which, according to circumstances, it may be parted with. The possibility, therefore, of quantititative incongruity between price and magnitude of value, or the deviation of the former from the latter, is inherent in the price-form itself. This is no defect, but, on the contrary, admirably adapts the price-form to a mode of production whose inherent laws impose themselves only as the mean of apparently lawless irregularities that compensate one another. (Marx, Das Kapital. Kritik der politischen Ökonomie. Erster Band,
differing naturally from the *Capital* studies in Japan. This interpretation of the measure of value is indicated, after the critique of the ‘subjective-individualistic’ interpretation in the passage just before the above quotation, as its alternative so to say. The passage above quoted turns around the concept of ‘equipoise (равновесие[^48])’. As was seen in the first section of the present article, Rubin said that the process of simple commodity circulation with money as its intermediary C-M-C is considered in the theory of value from its aspect as ‘unity’ i.e. as C-C, while in the theory of money the same process is considered from the aspect of ‘separation’ into C-M and M-C, and he saw in this point one of the differences between these two theories. The above quotation makes it clear that the function of money as the measure of value does not presuppose a ‘equipoise’ but on the contrary it is this function of money that brings about the ‘equipoise’. Understanding in this way the function of the measure of value seems to come from the contrastive characterization between the theory of value and the theory of money.

The commodity producer does set on his commodity a certain price and not other price, because he is obliged to contain it to a certain level in considering the sales expectancy, while desiring to sell at a price as high as possible. This expectancy must be obtained only from the nearest direct experience of repeated production and exchange. The act of the producer = seller who sets a price on his commodity is thus placed in such a stream of repetition (reproduction).

‘The capacity of the commodity producer to anticipate with his calculation the condition of equipoise of the social economy is already a result and reflect of the long spontaneous process of mutual action, reaction and adaptation of all the branches of production, among which a relative state of equipoise is finally established although through manifold frictio[n] and disturbance. [...] As the result of this process of mutual adaptation of all the branches of production appears a certain average pricing of their products, which is transformed in producer’s calculation into the anticipation in their thinking of the future state of equipoise among these branches of production.’ (там же, стр. 568)

Before the factual sale of his commodity, the commodity producer cannot but have a certain foresight (anticipation) about an approximate level of its price and he can do this. This is because the experience of production and sale the agent (and others around him) has repeated...
many times up to that moment is accumulated as data. The act of production foregoing the sale must have been carried out in the same way in referring to this data. Thus a balanced distribution of labour among the branches of production tends to be realized, and in this state the prices of commodities become proportionate to the labour spent on them.

The function of the measure of value of money in Essays on money is seized in this way in the repetition of production and exchange, i.e. in the stream of reproduction. And at the same time, by this function of money, the labour divided under the private property and the commodity as its product are given already a certain social character prior to their entrance into the place of their individual, concrete social contact (exchange, circulation). Such an angle for understanding the commodity and money was clearly brought forward by Rubin in the process of preparation of the third edition of Essays on Marx’s theory of value in response to the critiques which appeared first in 1926, about two years after the publication of the second edition of Essays. In this second edition of 1924, with regard to the role the production and exchange play in the determination of the commodity value, Rubin seems to have seized them as once-for-all, individual phases contrary to the above point of view. For example, in chapter 14 of the second edition ‘Abstract labour’ there exists a following passage (eliminated from the chapter 14 of the third edition with the same title):

‘Each of the individual independent commodity producers works in his workshop autonomously and independently. Only at the moment when the product of his labour is brought to the market and counter-posed to infinite series of other products on the market to be equalized in certain proportion to each of them, ---the commodity producer experiences on him the action of all the market, i.e. the labour activity of the rest of the members of the society, and exercises in his turn a contrary action on them through the product of his labour. [...] So long as a commodity producer is occupied with his concrete, special labour, this labour appears as private labour; it becomes social only through the act of the market exchange, i.e. in the form of the equalization of products of extremely various kinds of labour, in the form of abstract labour.’

(И. И. Рубин, Очерки по теории стоимости Маркса, второе издание переработанное и дополненное, ГИЗ, 1924, стр.101. Emphasis is in the original. This is a passage absent from the first edition and added in the second edition.)

Here the private labour of the producer and its product as commodity is said to enter the social contact only in the phase of exchange subsequent to the production and the abstract labour and value come into existence only at that moment. Such a conception and expressions based on it are totally gotten rid of in the third edition of Essays on Marx’s theory of value of
1928, and its chapter 14 is, along with some other chapters, largely revised (from the preface to this edition, cut off from the English and other translations of the 1970s). The first impact pushing the author to proceed to such a review of the labour theory of value in the second edition came from I. Dashkovski with his article published in the mid-1926 (a little before the time when Rubin came back from the exile to Moscow to begin to participate in relatively free activities in Marx-Engels Institute). It is inferable that Rubin commenced the revision work for the new edition of Essays on value in response to the critiques of Dashkovski etc. from the latter half of this year. The first and most important results of this work are contained in his article Abstract labour and value in Marx’s system 49 published in the same journal just one year after Dashkovski’s article (English translation in Capital and Class, 5, Summer 1978). Rubin reproduces almost unaltered the passages relative to the new arguments developed for the first time in this article, to patchwork them into various passages in the third edition, in particular in chapter 12 ‘Content and form of value’ (title modified from the second edition) and in chapter 14 ‘Abstract labour’. From this, and from the fact that the third edition became substantially the definitive version of Essays on Marx’s theory of value, the above article of 1927 must be said to occupy an extremely important place in his career as economic theorist (in particular in view of the changes in Rubin’s position in the first phase of the value debate in Soviet Union in the 1920s).

In this article he expresses a view common to the above understanding of the measure of value, as follows: ‘Since people produce today not on the first day, since producer produces after he has entered into the act of exchange and before he enters the following exchange, the process of immediate production equally obtains certain social traits, corresponding to the organization of commodity economy based on the principles of exchange.’ (там же, стр. 103)

The following sentence in chapter [VI.] of Essays on money expresses just the same point of view: ‘For the producer there is no necessity to begin, for each new process of production, all the calculations from the outset and to care about the subjective count of the productivity of labour and of the labour value of products.’ (Рубин, Очерки по теории денег Маркса, там же, стр.569)

Such a characterization of the production was never seen in the second edition of Essays on value. In any case, the production is thus no more wholly private and it obtains ‘certain

49 И. Рубин, Абстрактный труд и стоимость в системе Маркса, Под знаменем марксизма, No.6, 1927, стр.88-119.
social traits’ as creator of commodity hence of value. However, unlike his adversaries, Rubin does of course not think the value to be created in the production and its quantity to become given there. ‘The labour activity of the commodity producers in the phase of production is immediately private and concrete labour and is only mediately, indirectly or latently, in Marx’s expression, social labour.’ (Рубин, 1927, там же, стр. 104. These two quoted passages literally reappear in the third edition 50.)

As if corresponding to these arguments in the article of 1927, Rubin summarizes, in Essays on money, the grounds for comprehending the function of the measure of value endowing the commodities with the price form, as follows:

‘This uninterruptedness of the process of price formation reflects the uninterruptedness of the process of reproduction. The current process of production repeats the foregoing one. It does not begin without any context, but it has as its own preconditions already the results of the foregoing production, fixed in the form of certain prices. Though the social relations connect commodity producers immediately only in the act of market exchange and are interrupted with its cessation, as their results appears a certain social character consolidated behind the products of labour, for example, certain average prices.’ (Рубин, Очерки по теории денег Маркса, там же, стр. 570)

Here is clearly shown that he is observing the relation between production and exchange from the angle of reproduction. When beginning an individual process, its agent can only passively accept the results socially produced through the preceding process of reproduction. And these results are fixed as the price of each commodity (its approximate level, its quote), as its proper character. Particularly the last sentence in the above quotation is based on an idea very similar to that of ‘two concepts of exchange’ brought forward by Rubin in the article of 1927 (exchange as a social form of the process of reproduction and exchange as its individual phase). And concerning the place of exchange in the determination of value, in the manuscript

50 If the idea presented above appeared conspicuously in the process of responding to the critiques about the second edition of Essays on value, the second half of the manuscript of Essays on money beginning with chapter [VI.] ‘The measure of value’ may have probably been written at a time near to that of the article of 1927. But it is difficult to decide on their sequence and causal relation, because factual materials sufficient for this are not available and it would be necessary for this to take into account also Rubin’s remarkable article on reification, published after the second edition of Essays on value and subsequently incorporated in its essentials into chapter three of the third edition ‘Reification of production relations among people and personification of things’. Here I would only indicate my inference that the latter part of the manuscript of Essays on money may have been written around the year 1927.
on money he discusses it in relation to his understanding of the function of money as the measure of value. Rubin suggests also here the connection between *Essays on Marx’s theory of value* (probably its second edition) and *Essays on money*.

‘If in the theory of value we said, that in the immediate process of production a given commodity producer works independently from the other commodity producers (anarchy of commodity production), with whom they are connected only in the process of exchange, this proposition was right, in so far as we spoke of the process of production and of the process of exchange, considered each individually, from an abstract point of view. In reality, however, a given process of production presents itself only as one of the repeated phases of an uninterrupted social process of reproduction, a phase, preceded and followed by an act of exchange. Because of this, the dense network of social connections, tenaciously catching the producer in the process of market exchange, is not interrupted during the time of intermediary period of production, but it continues in this period its effect, as a result of the foregoing and as an anticipation of the following process of exchange. [...].’ In this consists the fundamental sociological meaning of Marx’s doctrine on the measure of value, which is nothing other than a doctrine on the *price setting of the product of labour in the process of production, foregoing the act of exchange.*’ (там же, стр. 571-2. Emphasis is in original.)

In the first half of this quotation, Rubin mentions such type of relation between production and exchange as he affirmed in the second edition of *Essays on value* (cf. the above quotation from the second edition), to relativize it. In *Essays on money* somehow no direct reference is made to the various critiques about *Essays on value* appeared in and after 1926. But the first half of this quotation is in line with the arguments contained in the article of 1927, in which he reviewed in response to these critiques the positioning of production and exchange in the creation and determination of commodity value. And he arrives at an apparently paradoxical conclusion that the measure of value is a function of money in the production foregoing the exchange (both of which are considered in the stream of reproduction), contrary to the common

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51 Therefore the second half of the manuscript on money may be supposed to be written just before or after the article of 1927 (cf. note 50 above). But, if this is the case, a new question arises about why there is no mention of the measure of value in the passages where the ‘two concepts of exchange’ are discussed (см. там же, стр. 101-5) (and also why even the term ‘measure of value’ is not at all used in the whole of this article). Is this because Rubin only wanted to develop new arguments in this article as his reply to the critiques on his theory of abstract labour in the second edition of *Essays on Marx’s theory of value*, in leaving the discussions on money to the manuscript on money, unpublished and remained unknown?
ordinary understanding about the functioning of the measure of value that this belongs to the exchange and circulation. But if in the commodity economy the production and exchange mutually penetrate (constitute a historically specific system of production comprehending both), such an understanding of the measure of value will no more be a paradox. This is also the viewpoint of Marx, who says that the price of a commodity is not known only after it is really exchanged but on the contrary it becomes capable of circulation only with a certain price set on it in advance. ‘Commodities as exchange-values must be antecedent to circulation in order to appear as prices in circulation.’ But, at the same time, it must not be forgotten that a certain price set prior to the circulation is not always realized there as such, and that the price setting supposed to the circulation remains always a certain prospect or a subjective expectancy of the seller (they are however not entirely groundless.). As was seen above, with Marx Rubin was clear also about this point. ‘The commodities will only become universal equivalents as a result of their alienation. The establishment of their price is merely their nominal conversion into the universal equivalent, an equation with gold which still has to be put into practice.’ (Ebenda, S. 143)

I have tried in this section to introduce and examine the original points of argument of Rubin in chapter [VI.] ‘The measure of value’ of Essays on Marx’s theory of money. The second half of this Essays is made up of three chapters. In the last place I will discuss one other point which seems important to me.

4. Money as hoards

After having first argued about the measure of value in the second half of Essays on money, in the following chapter [VII.] Rubin takes up after Marx the means of circulation, but unlike the previous chapter, this chapter is filled for the most part with explanatory description, and the presentation of his proper point of view about money does not go beyond a repetition of what has already been said in the previous chapter. On the other hand, while in the previous chapter certain space was devoted to the debate with a number of foreign (in particular German speaking) researchers which contributed to reinforce the development of Rubin’s proper arguments, only a very few of them are made the objects of critical examination in this chapter. At the end of this chapter, in recapitulating some points contained in the previous chapter, he

makes a following summary as a link to the next chapter [VIII.]. ‘Only where the process of production is unchangeably followed by a process of circulation in both of its phases (C-M and M-C), as the necessary condition for the renewal of production, --- gold fulfils the function of the means of circulation. It is easy to see that both of these functions [of money as measure of value and means of circulation] presuppose a developed commodity economy, in which the production is in advance destined for exchange (hence the beforehand price setting of commodity and the function of gold as measure of value) and, on the other hand, the exchange presents itself only as an intermediary stage of all the process of reproduction (hence the metamorphosis of commodity and the function of gold as means of circulation).’ (Рубин, Очерки по теории денег Маркса, там же, стр. 596) The first sentence alludes to the transition to the next chapter which will treat the money as hoards, and the second sentence indicates that the two functions of money Rubin has discussed up to this point presuppose a ‘developed commodity economy’\(^{53}\), suggesting that the money as hoards equally functions under the similar conditions.

In treating the money as hoards in *Capital* and in *Critique*, Marx gives historical descriptions going back at times so far as to the world of antiquity. But, if the question is about the money as hoards in the framework of Marx’s theory of money, it must be considered to concern a function of money in a developed commodity economy, according to the point of view Rubin emphatically brings forth in the latter half of *Essays* on money. In other words, it would have to be shown that, in a society composed only of such commodity producers as have been supposed up to now, the act of hoarding money occurs with some necessity as a result of the behaviour of the agents maintaining themselves and the economic system in repeating

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\(^{53}\)The development of the commodity economy necessarily leads to the formation of capitalist (capital vs. wage labour) relations, hence a developed commodity economy can be nothing other than a capitalist economy. But, in *Essays* on money Rubin is coherent in supposing explicitly a society composed of simple small-scale commodity producers. Was he thinking of a development of such a society not leading to a capital formation? Marx explains in *Capital* the ‘transformation of money into capital’ before discussing the production of surplus value. In the preceding theory on commodity and value, he supposes the so-called ‘simple commodity circulation’ (where money is obtained only by selling commodity). But, he tells (perhaps intentionally) nothing about the social relations in which the production is carried out there. It would be well-grounded to interpret that the arguments of Marx are based on the supposition of a simple commodity production. Actually, up to the present such an interpretation has been adopted by many researchers in both affirmative and negative senses. But as for Rubin who makes explicit the sort of production supposed in the theory of money, a similar question may naturally arise. In his manuscript no clue to this question is found.
production and exchange. I will hereafter follow the logic of chapter [VIII.] of *Essays on money* to verify if and how this point is shown there. Hence the discussions on the hoarding of money in the undeveloped commodity economy will be neglected.

The most general possibility of money hoarding in the developed commodity economy is to be found in the fact that the commodity metamorphosis mediated by the function of money as means of circulation is divided into the two independent processes, i.e. sale and purchase. The function of money as means of circulation has been explained in supposing an uninterrupted continual succession of these two processes, so that from the point of view of its result commodity exchange were not distinguished from barter. But in reality these two processes are independent and these two sorts of exchange are of different nature. This difference of them is clearly shown in the withdrawal of money from the circulation, the fact that the money obtained by the sale of commodity is not totally and immediately thrown back into the circulation for purchase.

‘In a developed commodity society the hoarding appears as one of the normal, constant and necessary functions of commodity circulation. If, on one hand, the commodity circulation presupposes an uninterrupted circuit C-M-C, then, on the other hand, it equally breaks up this circuit into two acts C-M and M-C and creates thus a possibility and sometimes even a necessity of long-lasting postponement of the second act. Every commodity producer must appear alternately in the role of seller and of purchaser, but at the same time he must withhold a part of the money obtained by the sale, not releasing it into the circulation. As we have seen above, the commodity producer spends the money obtained by the sale on the purchase of means of consumption and production. For both of these aims he must sometimes hold money by himself in the form of reserve funds or hoards.’ (Рубин, там же, стр. 598)

Only the independent producers are agents of hoarding here (neither wage labourers, not buying means of production, nor capitalists, having to pay wages for employing wage labourers, are thought of in the above quotation, i.e. the capitalist relations are supposed to be non existent.). In this respect Rubin is coherent in his interpretation of Marx from the outset of his manuscript on the theory of money. In this chapter [VIII.] too, he considers a society composed solely of the economic agents just as they have appeared in the preceding two chapters, from the

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54 So the question is only about the money hoarding in the conditions of simple reproduction. ‘In analyzing the theory of money we abstract from the phenomena of reproduction on an extended scale.’ (там же, стр. 568. Author’s note 53 in chapter [VI.].
angle of an uninterruptedly repeated reproduction (therefore the hoarding as possibilities arising from the other kinds of revenue such as ground rent, wages, interest or dividend is out of the question). For an independent small-scale commodity producer to repeat continuously the production and consumption, it is indispensable not to spend wholly and immediately the money obtained by the sale of his commodity on the purchase of other commodities, so as to withhold a part of it for a certain period of time. But in this case, with regard to the money temporarily held in the hands of those who have sold commodities, the purpose and time of its spending and also its amount are determined in advance. At a predetermined moment in the future it will return back to the circulation in order to be transformed into certain kinds of use values.

However, the term ‘hoarding (Schatzbildung)’ in Marx’s theory of money does not suggest such a temporary withdrawal of money from spending, but rather an indefinite and unlimited hoarding for the sake of hoarding. In fact, the section ‘a. Hoarding’ of ‘3. Money’ in the chapter 3 ‘Money or commodity circulation’ of Capital (or the chapter 2 ‘Money or simple circulation’ of Critique) contains an extended description on the acts of such a hoarding, carried out in the pre-capitalist periods or in the areas of underdeveloped economy. ‘Hoardings (Schatz)’ is the result of such acts. ‘Every use-value fulfils its function while it is being consumed, that is destroyed, but the use-value of gold as money is to represent exchange-value, to be the embodiment of universal labour-time as an amorphous raw material. As amorphous metal, exchange-value possesses an imperishable form. Gold or silver as money thus immobilised constitutes a hoard’. ‘In passing one set of quantitative limits of the hoard new restrictions are set up, which in turn must be abolished. What appears as a restriction is not a particular limit of the hoard, but any limitation of it. The formation of hoards therefore has no intrinsic limits, no bounds in itself, but is an unending process, each particular result of which provides an impulse for a new beginning.’ The hoards in Marx’s theory of money and the hoarding as its origin should have to be understood in this way. The money temporarily withdrawn from the

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55 This corresponds to the holding of money on the basis of the ‘transactions motive’ of Keynes (subdivided into ‘income motive’ for the household and ‘business motive’ for the enterprise, but in Rubin’s model they are unified.). The amount of money held on the basis of this motive is called ‘active balance’ in the sense that it is limited to a certain extent and that both the time period of its expense and its destination are predetermined.


57 Ebenda, S. 194.
circulation described in the above quotation from Rubin may certainly have a character common with the hoards in that the process of commodity circulation is suspended with C-M not immediately followed by M-C, but it must be considered to be of clearly different nature from the hoards with its motive and purpose specified by Marx in the above quotation. How are explained the possibility or/necessity of the ‘hoards’ in the sense defined here by Marx, in the developed commodity economy supposed by Rubin in the chapter [VIII.]?

Rubin tries to give explanation also on the possibility of hoarding (in the sense of ‘inactive balance’ according to Keynes’ classification), different from the temporary holding of money becoming necessary in the repetition of production and consumption in the simple commodity production (cf. the above quotation from Rubin), as follows:

‘So far, we have supposed that the money, temporarily withdrawn from the circulation as reserve funds, must be again thrown back to the circulation at a certain moment. In other words, we have supposed that all the money obtained by the commodity producer from the sale of products will be spent after all on the purchase of other products. It is possible, however, that the commodity producer hold by himself a part of this money, intending not at all to let it out into circulation. In such a case we have no more a temporary (brief in the case of reserve funds of coin and long-lasting in the case of reserve funds of money) interruption between the acts C-M and M-C, but the whole circulation concludes with the act C-M, after which the second act, the purchase M-C, does not at all follow. The money, obtained from the sale C-M, is transformed into hoards, which we may call 〈accumulated hoards〉 in distinction to reserve funds

58 Following Keynes’ theory on the motives of holding money mentioned in the above note 55, the motive of hoarding given here by Marx may correspond to ‘precautionary motive’ and ‘speculative motive’. Keynes calls ‘inactive balance’ the amount of money held on the basis of these motives. However, in the theory of money coming just after the theory of commodity at the beginning of Capital or of Critique (object of the considerations in Rubin’s manuscript on the theory of money), the monetary transactions for the purpose of speculation are out of the question.

59 Nevertheless, in Capital and Critique there are passages in which the withdrawal of definite amount of money for a definite period of time with definite purposes (for example, funds for the amortization of fixed capital, reserve for accumulation) is regarded as belonging to the act of hoarding. It seems to be on the lines of the description in these passages that Rubin generally calls ‘hoarding’ the detention of money in the hands of commodity producers taking place when the sale and the purchase are separated and the former is not complemented by the latter. But these seem to me to be of clearly different character from the hoard (or hoarding) explained in the above quotations from Marx. Various conflicting viewpoints on the character of the hoards are adopted in the literature, which may have been caused by some ambiguity in the text of Marx.
of money.’ (Рубин, там же, стр. 600-1)

How are explained the motive of hoarding which makes possible such a distinction and the conditions for its realization? In the chapter [VIII.] of the manuscript on the theory of money, there is no explicit explanation about the motive of hoarding, which consists, according to Marx’s vivid description in the above two quotations from Critique, in an unrestricted pursuit of money as the incarnation of the wealth (‘money as money). And, the conditions allowing the hoarding are to be found, according to Rubin, in the surplus remaining in the proceeds from the sale of produced commodities, arising from the development of labour productivity, above and beyond the amount of money necessary for maintaining the conventional level of life (i.e. rise in the level of real income). This surplus money (absolute increment of money obtained from the sale, or a portion of money made ‘superfluous’ by the fall of prices with an unchanged money income) is supposed to be allotted to an indefinite saving instead of being spent for a higher level of life. Such a development of productivity seems to be discussed by Rubin in relation to the rising phase of the capitalist economy with an embryonic state of class differentiation. The ‘developed commodity society’ composed of independent small-scale producers, which Rubin explicitly supposes in the manuscript on the theory of money, may have probably been related to such a state of economic society.

But, in the latter part of the chapter [VIII.], the relations between capital and wage labour, which have not been taken into consideration at the outset, are introduced without any explanation about its historical generation from the relations of simple commodity production, and the subject of discussion moves to the hoarding there. However, in addition to the uncleanness about the motive of hoarding, Rubin does not explain why and how the labour productivity develops. He says in a note to the manuscript that ‘in analyzing the theory of money we abstract from the phenomena of reproduction on an extended scale.’ (cf. the note 54 above) In this manuscript adopting as its model a society of small-scale commodity producers, the factors such as the development of productivity, the progress in the method of production, the innovation and the enlargement of production are generally put aside (This is pointed out also in the article of Ivan A. Boldyrev mentioned in the note 17 above. Vgl. Ebenda S. 148). It remains also unclear whether the surplus allotted not to enhancement of the level of life but to accumulation arises by chance to be hoarded, or it is produced as a result of its being pursued in itself for the purpose of hoarding.

60 In Marx’ Capital (Critique), the section on ‘Hoarding’ is in the third place in the chapter on money (bearing the same title as the chapter ‘Money’). At this stage the movement of money as capital is not yet supposed, and accordingly in this section on ‘Hoarding’ Marx does not directly mention the hoarding in so far as it expresses the movement of capital and he uses only abstract expressions such as ‘developed bourgeois society’. (Marx, Zur Kritik der politischen Ökonomie, Hamburg, 1859. Neue MEGA, II/2, Dietz Verlag, (Ost-)Berlin, 1980. S. 194) The ‘hoarding’ in
[VIII.] is that in the developed capitalist economy the hoarding as seen above or the hoarding in general disappears. In a society where the capitalist relations dominate, in principle the wages have to be totally spent on consumption, and the money as the funds of hoarding remains only in the hands of capitalists capable of obtaining the profits, income accruing from the surplus (here, as in the volume one of *Capital*, the interest and the ground rent as forms of income derived from the profit are not taken into account, and the capital owner runs by himself his enterprise and obtains the total of the surplus extracted). Therefore, the hoarding under the capitalist relations depends solely on how the capitalist disposes of his income. Rubin supposes, just as Marx, the capitalist entrepreneur as ‘rational miser’ and thinks that the money obtained as surplus is in total applied to direct or indirect (through credit relations) investments without delay. Hence the capitalists as the sole obtainers of the disposable surplus money income never take the behaviour Marx depicts in the quotation from the section ‘Hoarding’ in the note 61. The act of holding indefinitely the surplus money without determinate destinations is considered as irrational in capitalist economy and therefore theoretically as non-existent. In this respect Rubin seems to follow very faithfully the theoretical construction of Marx. Thus, in the chapter

Marx’s theory of money seems to mean exclusively the act of enlarging C-M and of preventing M-C from following after C-M. ‘He [a person] needs to do nothing but put them aside, piling one lot upon another, a completely senseless activity.’ *(Ebenda, S. 195)* ‘On the other hand, he can withdraw from circulation no more than what he has thrown into it in the shape of commodities. The more he produces, the more he is able to sell. Hard work, saving, and avarice are, therefore, his three cardinal virtues, and to sell much and buy little the sum of his political economy.’ *(Marx, *Das Kapital. Kritik der politischen Ökonomie*. Erster Band, Hamburg 1872. Neue MEGA, II/6, S. 155.)* Rubin’s discussions in the latter part of the chapter [VIII.] ‘Money as hoards’ are made in introducing the capital relations. This subject already overpasses the theory of money in Marx’s *Capital*, and belongs to the subjects of the following chapter on ‘Transformation of money into capital’. In this chapter Marx says of the hoarding under the capitalist relations as follows: ‘While the miser is merely a capitalist gone mad, the capitalist is a rational miser. The never-ending augmentation of exchange-value, which the miser strives after, by seeking to save his money from circulation, is attained by the more acute capitalist, by constantly throwing it afresh into circulation.’ *(Ebenda, S. 171)* In fact, in the latter part of chapter [VIII.] too, Rubin’s discussions intrude into the generation of the capital relations from the independent small-scale commodity production he had initially set up. This may be said to damage their coherence. This may be also a problem pointing to the unaccomplishedness of the manuscript on the theory of money.

62 However, this does not mean that the capital is always totally invested in some way in Marx’s theory. He emphasizes the emergence of overproduction (excessive accumulation of capital) in capitalism and the appearance of idle money capital to be invested nowhere. This is one thing, to consider as non-existent the act of piling up money for the sake of money in withdrawing it from the circulation is quite another. The excess capital Marx positively recognizes is forced to remain idle contrary to the will of its possessor and is always seeking a favourable outlet, therefore it is of a character quite different from the hoards indefinitely (‘eternally’) piled up.
of the manuscript on the theory of money, his discussions about the hoarding in the capitalism as the developed commodity economy leads up to its negation.

‘In capitalist economy the accumulation of hoards is transformed into the accumulation of capital and entirely changes its character. The capitalist, just as the collector of hoards, does not spend (or spends only in an insignificant degree) his additional income on extending his personal consumption, but accumulates it (so called accumulated parts of the surplus value distinct from its consumed part). But in distinction to the collector of hoards he does not withhold this additional money from the circulation, but again lets it out there: he extends his production, i.e. buys new means of production and labour power, or else lends out the money to other capitalists, ordinarily through banks, for the expansion of their production. Even for the short lapse of time before this money may be invested in a business, he does not hold it by himself, but remits it to his current bank account to receive an interest corresponding to this deposit.’ (Рубин, там же, стр. 602-3)

Here Rubin considers, just as Marx does, that there exists no indefinite hoarding for its own sake in capitalist economy, not motivated by practical reasons arising in the course of reproduction. But in Marx’s theory of money an important role is attributed to the hoarding as a regulator of the quantity of money in circulation. Rubin follows this sequence of Marx’s logic and discusses the role of hoarding as the ‘reservoir’ of surplus money existing over and above the quantity necessary for the circulation and so not being absorbed there. How can the hoards assume such a role, their formation in capitalism having been negated in the above quotation? Rubin says about the ‘reservoir’ as follows (incidentally, this term is used here only once in the manuscript on the theory of money):

‘The hoards fulfil the role of reservoir, from which the sphere of circulation receives the

Marx agrees with Ricardo in theoretically negating the hoarding as an irrational act, but diverges from Ricardo when the latter does not recognize the possibility of appearance of excess capital and idle money capital without favourable outlet.

The ‘reservoir’ of circulation Marx brings forward as a spontaneous regulator of the quantity of money actually circulating under the regime of metallic money plays an important role in distinguishing Marx’s theory of money from that of Ricardo (or of the classical political economy in general), who claims that the precious metal as money always remains in circulation to function as money in its totality, denying the theoretical possibility of the hoarding and neglecting its actual existence (but, unlike Marx who observes for the moment only the domestic circulation of a country, Ricardo considers money from the outset as circulating and moving in and outside the national frontier, and his theory could not be properly estimated in neglecting such a framework). However, this subject of ‘reservoir’ is taken up only additionally at the end of the section on ‘Hoarding’ (especially in Capital, it is briefly explained only in the last one page).
additional quantity of money necessary for it and to which it returns the excessive quantity of money. In this way the adaptation of the quantity of money in circulation to the needs of commodity circulation is attained, and money 《never overflows the banks of circulation》.  

The hoards capable of playing the role of such a reservoir would have to be considered not as the hoards, the formation of which in capitalism has been negated in the above quotation, but to mean the money temporarily withdrawn from the circulation by Keynes’s transactions motive with some definite purposes, i.e. the money provisionally remaining idle which arises continuously in the process of reproduction and accumulation of capital. The hoards in this sense are of temporary existence for the individual enterprises which give rise to them, but for the economy as a whole composed of many enterprises, these hoards may be maintained without interruption to an extent corresponding to its scale. If interpreted in this way, the theory of Marx and of Rubin to the effect that the ‘reservoir’ of money filled with the hoards regulates automatically the quantity of money in circulation could be regarded as coherent, but for this it is necessary to change the meaning of the ‘hoards’, the central subject (although this meaning was ambiguous from the beginning as we have seen).  

In any case, according to this theory, with a part of hoards moving without cease between the ‘reservoir’ and the ‘circulation’, the necessary quantity of money is ensured in the circulation, where therefore neither excess nor lack of money is possible. It must be explained through what mechanism the precious metal money moves between the circulation and the reservoir, but Rubin, just like Marx, says nothing more than that this two-way movement of money is caused by the increase and decrease in the quantity of money necessary for the circulation. It may be required to explain for example something like the mechanism of mutual transformation between bullion and coin, discussed by Ricardo etc. at the time of bullion

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65 It is through such a mechanism, Marx thought, that the metallic money, which is also a commodity, would be exchanged with commodities according to its value (in other words, it would exercise its purchasing power over them). In securing a device preventing the precious metal money from being continuously in excess supply or in excess demand with respect to the other commodities independently from the evolution of its production as a commodity (digging from gold mines), it was possible to keep distance from a theory like that of Ricardo apt to be taken at first sight as the quantity theory of money.
In the section on the ‘hoarding’ of the chapter on money of Capital and in the chapter [VIII.] ‘Money as hoards’ of Rubin’s manuscript on the theory of money, the precious metal money remains exclusively in the domestic circulation and it is said to move between the two different domains in this area. Of course this is because all the exterior economic relations are neglected here on the basis of Marx’s plan of the ‘Critique of Political Economy’, according to which every economic relation covered in Capital is regarded as if it concluded itself in the framework of a national economy. But in the section entitled ‘Money of the world’ put at the end of Marx’s theory of money, he discusses also the international transfer of precious metal money in its bullion form, in recurring exceptionally to a temporary cancelling of such a global theoretical framework. This may have been because the exterior relations had to be taken into account here since the movement of the precious metal money does not conclude itself in the domestic area but interferes with its international movements. But in Rubin’s manuscript such international relations are not considered, and his discussion gives impression as though the quantitative adjustment of the precious metal money concluded itself on the level of domestic economy. In contrast, the authors Marx criticized in his theory of money (Hume, Smith, Ricardo and others, whom Rubin does not explicitly mention) had discussed the problems concerning the monetary regime almost always in their international context. Marx and Rubin say that the precious metal money can get outside of the circulation and come into it from outside. But this may be only what appears to occur in a country, and the precious metal money may move from where it is superfluous to where it is scare, irrespective of the existence of national frontiers.

In the latter part of the chapter [VIII.] of the manuscript on the theory of money (там же, from стр. 606 till the end), Rubin comes to the same conclusion as we have seen above (negation of the hoarding in capitalism), saying that, with the beginning of the self-valorisation of industrial capital, the hoarding such as it was possible in the simple commodity production (см. там же, стр. 598) changes its nature into the expansion of monetary wealth in its ‘rational form’ i.e. the capital accumulation. If the purpose of the chapter [VIII.] consisted in clarifying


67 However, this denies only that the capitalist relations give rise to new hoards to be piled up without limit outside the circulation, but does not go so far as to deny that the hoards
such a thing, this chapter may be situated, unlike the preceding two chapters on ‘Measure of value’ and ‘Means of circulation’, as a starting point of the logic of birth and development of the capitalism founded on the nature of money as the universal wealth.

At the end of the chapter [VIII.] (i.e. at the end of the manuscript ‘Essays on Marx’s theory of money’), Rubin says on the formation of capitalist relations as follows:

‘The differentiation of economic functions (i.e. production relations) leads to a differentiation of economic characters of persons, on one hand, and of economic categories of things, on the other. The transformation of simple commodity producers into collectors of hoards represents the first step from the society of equal commodity producers to the capitalist society with its deep differentiation of persons, expressed in the class division of society.’ (там же, стр. 615)

The first step in the route from the society of equal simple commodity producers to the capitalist society with its differentiation (division into classes) consists in the transformation into money hoarders of these simple commodity producers repeating the process of $C\rightarrow M\rightarrow C$ with their own labour and means of production. Rubin seems to presuppose here something like a classless equal commodity society, which was for some reasons exempt from class differentiation and existed in some historical period prior to the capitalism (though it is not certain whether he thought it to have been a real historical existence or a simple theoretical model). And according as the wealth of this equal society took the form of commodity and value, a class division may have arisen from within (a primitive accumulation, not violent but peaceful so to say). In any case, the theory of money ends with the advent of capitalism\textsuperscript{68}.

\textsuperscript{68} It is in the chapter entitled ‘Transformation of money into capital’ next to the theory of money that Marx introduces for the first time the capitalist relations in \textit{Capital}. Here Marx presents
The manuscript on the theory of money ends with the chapter [VIII.] ‘Money as hoards’. The preceding two chapters [VI.] and [VII.] have the titles ‘Measure of value’ and ‘Means of circulation’, the same as those of the first two sections of the chapter on the theory of money in *Capital* (and *Critique*), and their contents correspond to these two sections. But only the chapter [VIII.] bears the same title of the first part of the corresponding section in Marx’s work, i.e. the section 3 ‘Money’, and the following two parts ‘Means of payment’ and ‘Money of the world’ are not included as the subjects in the last chapter of this manuscript on the theory of money. From the manuscript left to the posterity there is no knowing whether Rubin had initially not intended to treat these themes involving the credit and international relations, or whether they remained unwritten though planned as the themes of the parts to come after the chapter [VIII.]. In any case, it is certain that this manuscript was not finished and left in an interrupted state.

merely as given the commodity called labour force as a condition rendering possible the valorisation of capital, without asking the question how the labour force is made into a commodity for the moment (cf. the section 3 ‘The buying and selling of labour force’ of the same chapter). In the above quotation, Rubin appears to explain a capitalist class differentiation immediately from the act of hoarding in the society of commodity production preceding the capitalist relations. If this is the case, it may be a little too hasty argument about the historical generation of capitalism.